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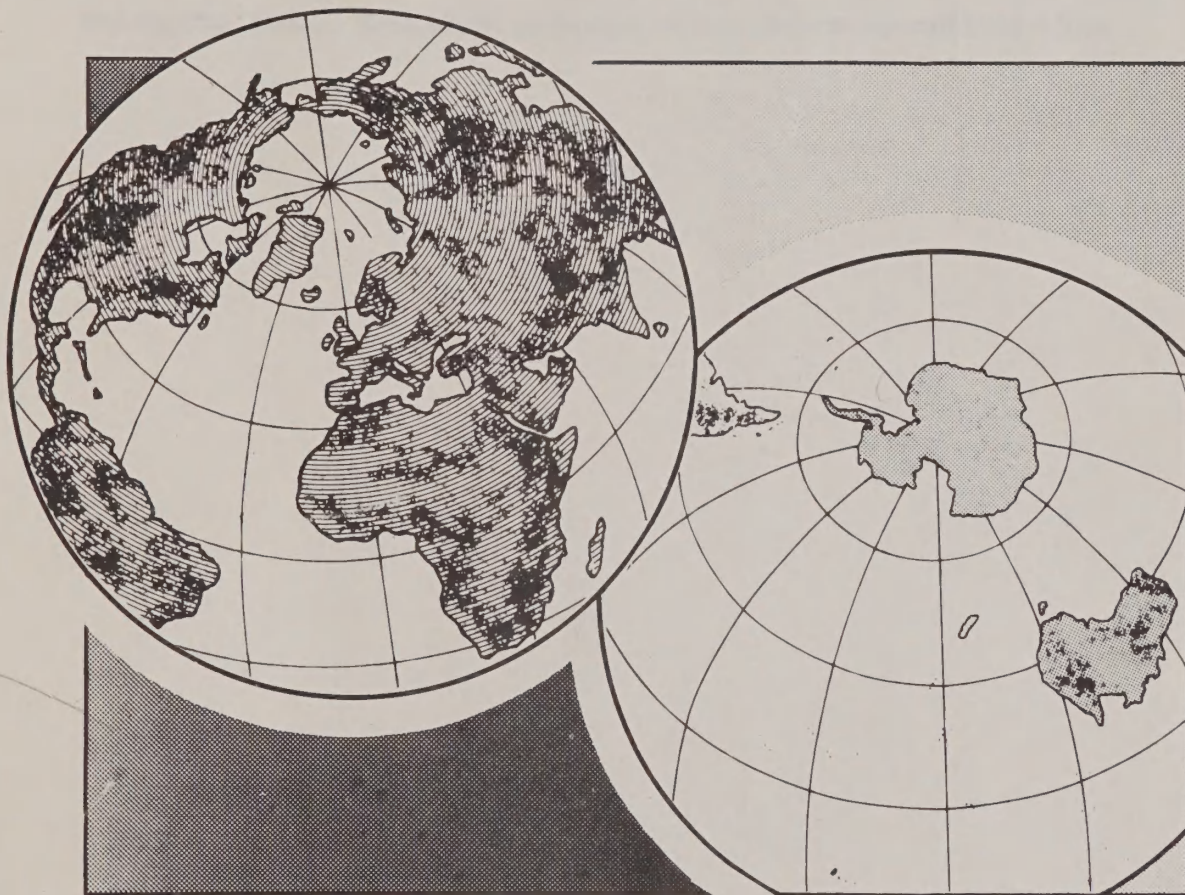
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Agricultural Situation

Review of 1979 and Outlook for 1980

Western Hemisphere



United States, Department of Agriculture
Economics, Statistics, and Cooperatives Service
Approved by the World Food and Agricultural Outlook and Situation Board

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WESTERN HEMISPHERE AGRICULTURAL SITUATION, REVIEW OF 1979 AND OUTLOOK FOR 1980.
Latin America Branch, International Economics Division, Economics, Statistics, and Cooperatives
Service, Supplement No. 5 to WAS-21, approved by the World Food and Agricultural Outlook and
Situation Board.

ABSTRACT: In 1979, Western Hemisphere exports of sugar, cotton, and beef fell below 1978 levels, but 1978/79 harvests increased exports of coffee, bananas, grains, and oilseeds and limited expansion of agricultural imports. In 1980, Western Hemisphere exports of oilseeds are expected to rise sharply and a significant recovery is anticipated for sugar sales. However, expansion of coffee exports may be limited and the trade in cotton and beef probably will continue near reduced 1979 volumes. Lower production is expected to reduce exports and increase imports of grains in 1980.

KEYWORDS: Western Hemisphere, production, exports, imports, agricultural products.

FOREWORD

This annual review of the Agricultural Situation in the Western Hemisphere is one of a series of reports being published which covers Western Europe, the USSR, Eastern Europe, Communist Asia, Africa and West Asia, and the Asia and Oceania. It supplements the 1979 World Agricultural Situations, WAS-19 to WAS-21. Western Hemisphere, as used in this report, includes Canada, Mexico, the five larger Caribbean Island countries, Central America, and South America, but excludes the United States.

Unless otherwise specified, the metric system of weights and measures is used: 1 hectare equals 2.471 acres and 1 metric ton equals 2,204.6 pounds. Similarly, all years are calendar years, values are denominated in U.S. dollars and indices of agricultural production have a 1961-65 base period. Gross domestic product is abbreviated to GDP and gross national product to GNP. Because of recent revisions, data in this report may sometimes differ from data used in the World Agricultural Situation reports and from the Indices of Agricultural Production in the Western Hemisphere.

Those participating in the preparation included Richard N. Brown, Jr., Deveta S. Eaton, Julia K. Garmon, John E. Link, Myles J. Mielke, Nydia Rivera Sanchez, Samuel O. Ruff, Lisa J. Shapiro, Paul J. Trapido, Pat Weisgerber, and Lula White. Acknowledgement is extended to the Foreign Agricultural Service for assistance, and to the U.S. Agricultural Attaches in the Western Hemisphere who provided commodity estimates and much of the background information through their annual situation and commodity reports.

Howard L. Hall

HOWARD L. HALL

Leader, Situation and Outlook

Latin America Branch

International Economics Division

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WESTERN HEMISPHERE AGRICULTURAL SITUATION

Review of 1979 and Outlook for 1980

SUMMARY

The combined agricultural output for Canada and 22 Latin American countries (excluding Barbados, Cuba, Grenada, and Surinam), which had fluctuated around a rising trend of about 2.9 percent from 1969-71 to 1977, increased less than 1 percent in 1977 after moving up 3.3 percent in 1978. However, increased supplies from 1978/79 crop production contributed to further growth of earnings from agricultural exports during 1979, and improved food situations limited expansion of agricultural imports in most deficit countries. In contrast, agriculture in the region was plagued more than usual by unfavorable weather and other adversities during the year which cut yields of late 1979 crops and lowered prospects for 1980 production in many countries. As a consequence, growth of agricultural export earnings may be more restricted and there will likely be a significant resurgence of imports in 1980.

New plantings and favorable growing conditions maintained a further rise in 1978/79 coffee production; increased harvests in Brazil, Colombia, and Central America raised Latin America's production about 16 percent from a year earlier. The cocoa bean harvest was estimated to be up 9 percent to a new record. Production of bananas increased about 5 percent in 1979 in spite of storm damage in Panama and late-year worker strikes in Costa Rica and Honduras. Cotton plantings were larger in Brazil, Colombia and Peru but Latin American production declined because of growing political turmoil which reduced Central American area and output. Western Hemisphere 1979 beef production was estimated 4 percent below the 1978 record because of reduced cattle inventories and cattle herd rebuilding in Canada, Argentina, and Uruguay.

Mexico's plantings of soybeans for the late 1978 harvest were cut back because of reduced irrigation water supplies, and continuing dry conditions held Brazil's 1979 crop at about the low 1978 volume. However, strong expansion in Argentina and recovery in Paraguay resulted in total Latin America's 1978/79 soybean production being up 8 percent from a year earlier. The 14-percent gain in

Western Hemisphere wheat production in 1978 resulted from strong recoveries in Canada and Argentina. Canada's 1978 barley area was reduced sharply as producers shifted to oilseeds. Argentina's 1979 corn and sorghum crops were below 1978 volumes because of damage from dry weather. Because of further expansion in Mexico and Venezuela and recoveries in Brazil, Chile, and Central America, the 1978/79 production of corn and sorghum in Latin America was up about 4 percent from the reduced level of the previous year.

Coffee exports continued up in 1979, rising 11 percent from 1978, despite a moderate decline in Brazilian shipments. Latin American sales of bananas and cocoa beans expanded further but exports of sugar, cotton, and beef fell from high 1978 levels. The Argentine wheat trade recovered strongly from depressed 1978 levels but serious transportation problems hampered Canadian exports. Western Hemisphere exports of soybeans and feed grains in 1979 continued down from reduced 1978 levels because of restricted supplies in Canada, Argentina, and Brazil. However, Western Hemisphere earnings from agricultural exports benefited from rising prices, including those for coffee and sugar, which increased sharply after midyear. These were reflected in U.S. agricultural imports from the Western Hemisphere countries which reached an estimated value of \$7.9 billion in 1979, up from \$6.8 billion in 1978.

Latin American wheat imports continued to reflect low production in Mexico, Brazil, and Chile plus stronger demand in other deficit countries—particularly in Colombia, Peru, and Venezuela. Total 1979 wheat imports were estimated only 5 percent below the 1978 record of 11.4 million tons. Rice imports more than doubled because of drought damage to 1978/79 crops in Mexico and Peru. Feed-grain imports rose sharply from the 1978 record as Brazil became a large importer of corn because of production shortfalls, thus offsetting reductions in Mexico, Central America and other deficit countries. U.S. agricultural exports to Canada, which had trended up sharply since 1975, were held near the 1978 level of \$1.63 billion. Partly because of

higher prices, U.S. exports to Latin America continued up from the 1978 record of \$3.2 billion to \$3.7 billion in 1979.

The 1979/80 agricultural situation has been affected by unusually adverse weather which reduced late 1979 production of grains in Canada, Mexico, and Central America and reduced prospects for recent 1980 feed grain harvests in Argentina. Growing civil strife in Nicaragua sharply curtailed planting of 1979 cotton; harvested area was only one-fifth of the year earlier level. Major economic reorganization also restricted production of coffee, sugar, and beef in El Salvador. Coffee and cocoa trees suffered hurricane damage in the Dominican Republic and storms destroyed bananas in Panama. Blue mold severely damaged Cuban tobacco and rust infestation greatly reduced 1979/80 sugar output. Wet weather limited Brazil's 1979 wheat harvest, and drought is expected to further reduce the 1980 rice crop in Peru.

Prospects for 1979/80 agricultural production

are not entirely unfavorable. Current information indicates excellent 1980 harvests of soybeans, corn, and cotton in Brazil. High world prices and removal of the International Sugar Organization (ISO) export quotas are expected to encourage recovery of sugar production in Brazil and other Latin American countries; and coffee output may continue near 1979 levels. However, beef production in Canada and Argentina may continue to decline in 1980.

Large supplies and improvements in transport and handling facilities may result in increased Canadian wheat exports in 1980; but Argentine exports may be down from the 1979 total of 4.5 million tons. Argentine export supplies of 1980 corn and sorghum are estimated to be down sharply from year-earlier levels, with an increased share committed for shipment to the Soviet Union. The U.S. share of an enlarged market for wheat and feed grains is expected to result in an unusually sharp rise in total U.S. agricultural exports to Latin America in 1980. (*Howard L. Hall*)

CANADA

Canada's gross national product is expected to have little, if any, real growth in 1980, compared with a 2.9-percent growth rate in 1979. The consumer price index is projected to average about 11 percent higher in 1980—a significant increase over 1979's rate of 9.1 percent and the first year since 1976 that Canada has had double-digit inflation. The Canadian dollar's external value, which held around U.S. \$0.85 during 1979, may strengthen modestly with a trading range of U.S. \$0.85 to U.S. \$0.89. Unemployment in 1980 will likely rise to around 8.5 percent from 7.6 percent in 1979.

Canada's 1980 Federal budget deficit will grow to at least C\$12 billion and its balance of payments will register a deficit in the C\$6 billion range. The large deficit is concentrated in the area of services—money going out of the country in interest and dividend payments, spending on travel in other countries, and payments for other services. In 1979, the current account deficit was about C\$5 billion. This is equivalent to a \$50 billion deficit in the United States.

The positive side of Canada's balance of payments is in the merchandise trade account which posted a record surplus of C\$4.1 billion in 1979. But even within this account there is a continuing and hard-to-overcome deficit in fully manufactured goods. The merchandise surplus is built on agricultural products and resources such as minerals, natural gas, and forest products. The export surplus

on this type of goods in 1979 totalled about C\$20 billion. A huge deficit of about C\$16 billion on end products cut into the surplus. Fully manufactured goods accounted for only 32 percent of exports in 1979, down from 36 percent in 1978.

Production and Trade

Preliminary estimates indicate that 1979 cash receipts from farming operations totaled just short of C\$14 billion—up 17 percent from the C\$11.9 billion realized in 1978. Total estimates include: cash receipts from the sale of farm products; Canadian Wheat Board participation payments on previous years' crops; cash advances on farm-stored grains; and deficiency payments made by the Agricultural Stabilization Board. Farm operating costs in 1979 rose C\$1.2 billion to C\$8.5 billion.

The production of grain and oilseed crops in Canada can best be examined together because in many cases they are produced by the same farmers and a shift in acreage of grain often affects the oilseed acreage and vice versa.

Total production of grain and oilseeds in 1979 was 41.8 million tons, down 9 percent from 1978. Larger oilseed production was offset by reduced feed grain output. The decline was entirely in Western Canada where seeding was delayed by a late wet spring and little or no rain fell during July. Total production of wheat, barley, oats, rye, corn, and mixed grains was down 12 percent to 36.5

million tons. Oilseeds, at 5.34 million tons, were up 11 percent.

Rapeseed acreage was up 22 percent and almost equaled barley acreage which was down 13 percent; however, disappointing yields resulted in a crop only slightly above the 1978 level. Acreage of flaxseed and sunflowers was up 76 and 79 percent, respectively. These increases came not only in response to strong export markets, but also because alternative grain crops had not been moving off farms to the extent that oilseeds had. Farmers in the prairie provinces in recent years have been able to market only about 60 percent of their crops in the year of production. As cash-flow problems become more acute, farmers switch to crops that have the best prospects of moving to market.

Had there been sufficient moisture during the 1979 growing season, there likely would have been a record wheat crop since substantially more fertilizer had been used. However, the protein content of the spring wheat crop was good.

In the past 2 years and in the current (1979/80) crop year, exports of grain and oilseeds have been hampered substantially by constraints in Canada's transportation system. While the export market was strong, it is estimated that actual exports were 2 million tons below potential exports in each of the past 3 years. In other words, with adequate transportation from Western Canada to export terminals, overseas shipments might have been as much as 66 million tons for the 3 years, rather than the 60 million actually realized.

The tobacco crop in 1979 was hit by an outbreak of blue mold which reduced the crop to 165 million pounds from a target level of 230 million. Hence, stocks of manufactured tobacco prior to the planting of the 1980 crop were relatively low. Prior to the blue mold outbreak, projections of Canadian exports from the 1979 crop approached 100 million pounds.

The Canadian cattle industry in 1979 witnessed an end to the downward inventory adjustments of the last few years and a sharp year-to-year decline in the rate of female slaughter. Preliminary data show that heifer slaughter declined 16 percent from a year earlier, while cow slaughter fell nearly 25 percent. The trend is expected to continue in 1980 and should allow for a gradual, but modest, inventory increase throughout the year. However, the industry certainly did not respond to the higher prices and improved outlook for 1979 and 1980 with the same expansion enthusiasm that it exhibited at the start of the previous expansionary phase in 1969.

For 1979, Canadian beef and veal production was approximately 955,000 tons, fully 10 percent below the 1978 outturn of more than 1 million. The reduced level of female slaughter in 1979

contributed significantly to the overall decline in beef output. Steer slaughter was down an estimated 8 percent. Reduced calf slaughter (35 percent below 1978) reflected the smaller calf crops of 1977 and 1978, and contributed to reduced meat output.

Buoyed by a strong cattle market, hog market prices held at relatively attractive levels throughout the first quarter of 1979. Canadian hog producers responded by continued expansion as late as the third quarter of 1979. Consequently, pork output in Canada in 1979 reached an estimated 745,000 tons, an increase of 20 percent over the 1978 level. By the final quarter of 1979, strength in the hog market had begun to subside with dressed hogs (index 100) at Toronto falling to a monthly average low for the year in November of C\$55.60 per hundredweight from the 1979 high in February of C\$77.08.

The extent of the hog expansion in Canada during 1978 and 1979 became particularly evident in December 1979 when the dressed weight of slaughtered federally inspected hogs actually exceeded the dressed weight of cattle slaughter (not including calves).

For the second consecutive year, Canada was a net exporter of pork in 1979, and the United States surpassed Japan as Canada's major pork export market. A preliminary estimate for Canadian pork exports in 1979 is 80,000 tons, with about half destined for U.S. points, an estimated 40 percent for Japan, and the balance for other countries.

The factors that led to increased pork production and increased pork exports also contributed to lower pork imports. The United States is the major supplier of pork to Canada, traditionally accounting for more than 95 percent of imported supplies.

Outlook

Canadian exports will be curtailed by a slump in the U.S. automobile and housing markets, but will be stimulated by sales of grain abroad and by higher world prices for Canadian surplus energy resources. Although Canada imports crude oil for consumption in the Atlantic provinces, the nation is a small net exporter of energy. Canada shares a number of U.S. energy problems—declining domestic production of conventional oil and increasing imports for at least the next several years. But Canada has surplus reserves of natural gas and some excess hydro capacity for export to the United States. The Canadian Government subsidizes imports of oil—mostly to eastern Canada—so that consumers there pay about the same for their oil as the rest of Canada pays for domestic oil. Import compensation is expected to reach between C\$2.5 and C\$3.0 billion in 1980, depending on increases in world prices. Canadian oil is now controlled at roughly half the international price.

Rapid improvements are being made in Canada's long neglected grain handling and transportation system. Progress was made in 1979 in overcoming impediments which have hampered grain/oilseed exports. However, it is expected that exports will again be held to about 20 million tons in the current crop year despite the strong world demand for these crops.

A goal has been set by the Canadian Wheat Board to gradually increase its export capacity so that by 1985 the system can move 30 million tons to terminals for overseas shipment. The Wheat Board foresees an increase in world demand which would enable Canada to increase its grain/oilseed exports by 50 percent by the mid-1980's.

The forecast for farm cash receipts in 1980 is C\$15 billion, an increase less than half that experienced in 1979. Farm operating costs are forecast to increase 17 percent, producing a reduction in net farm income of 12 percent.

Cash receipts from all crops rose 15 percent in 1979, and are forecast to increase 17 percent in 1980. Crop receipts in 1980 will represent about 46 percent of total farm cash receipts. Receipts from all livestock and products in 1979 rose 18 percent, but only a 2 percent further increase is expected in 1980.

Canada's 1980 wheat area is expected to be up nearly 6 percent with production likely to exceed last year's relatively small harvest. Barley acreage is indicated to be up over a fifth, suggesting a significant increase from 1979's 8.46 million tons. The significant increase is expected since there is a low carryover of stocks and barley prices have returned to attractive levels.

Total corn production could jump from 1979's 5-million tons to 8-million tons in the next few years. Most of this increase would be in Ontario Province, mainly as the result of new hybrid varieties.

The significant increases in 1980 grain acreage and production would come at the expense of oilseeds, of which there is currently a mounting oversupply. In addition to the immense North and South American soybean crops, it is now apparent that competition from other oil bearing crops such as coconut and palm will also have an effect.

Rapeseed acreage in Canada is projected to decline 22 percent in 1980 due to the comparative glut in oilseeds, less favorable prices, and the disappointing yields producers received last year. This is a reduction of over 2 million acres. A decline of 20 to 25 percent is also anticipated in acreage of the less important flax and sunflower crops.

The beef cattle cycle ended its downward phase in 1979. For 1980, the increased rate of female retention will have a large effect on beef output and prices. Most industry analysts predict prices to

advance up to 10 percent throughout the year. The precise level of female slaughter reduction in 1980 is difficult to predict. The March 1980 expectation was for a further decline in total beef output of about 4 to 5 percent. This would place 1980 Canadian beef and veal output near 910,000 metric tons. Since the breeding herd likely stabilized by January 1, 1980, the potential probably exists for a small increase in the 1980 calf crop, the first increase in 5 years and the base from which future increases in beef production will emanate.

The announced level for beef imports for 1980 is determined from a formula based on a pattern which is countercyclical to domestic beef supplies. Country allocations for 1980 are: the United States, 13,200 tons; Australia, 31,615 tons; New Zealand, 32,300 tons; and reserved for new entrants, 771 tons. Since the outlook for imported manufacturing-type beef in Canada in 1980 is unchanged from the 1979 situation, it is unlikely that Canada's global import quota will be filled. However, there is some speculation that imports of beef from the United States could come much closer to filling the Canadian quota allocation than in 1979 if Canada lifts its DES certification requirements, following USDA action to confirm the absence of the additive within the U.S. livestock industry.

Hog price declines of late 1979 are expected to influence production decisions, but it will probably be mid-1980 before producer response to lower market returns will be reflected in any substantial declines in marketing. Additionally, breeding herd liquidation early in 1980, in response to unfavorable pork prices, could increase total pork supplies in the first half of 1980.

In summary, the total hog or pork output from January to June 1980, could range between a 10- to 15-percent increase over the 6-month period a year earlier. Gradual slaughter declines appear likely by the second half of the year and are expected to ease the year-to-year production increase. On balance, it is projected that total Canadian pork output for 1980 will reach about 785,000 tons, an increase of slightly more than 5 percent above the estimated 1979 figure.

Increased pork supplies in the United States in 1980 (during the first 9 weeks, federally inspected slaughter was up 23 percent from a year ago), may temper the level of Canadian exports. Exports to Japan could also decrease since current pork prices in Japan are reportedly affected by overproduction and static consumption levels. Also, Japanese hog farmers have asked for restrictions on imports of pork meat.

Expanded hog production in the United States in 1980 should continue to temper the level of Canadian live hog exports as well. This portends a fur-

ther downward trend from an estimated 72,015 hogs exported in 1979 and 129,949 in 1978.

Given anticipated price declines in the United States for 1980 and projected lower domestic slaughter in Canada in the last half of the year, imports of pork from the United States can be expected to at least maintain the 1979 level.

A small expansion in 1979 Canadian milk production is expected to be followed by another 3 percent increase in 1980, with most of the larger outturn going into evaporated whole milk production—shipments in 1980 are forecast to rise 200 percent above the 1979 level and will go mainly to Algeria and other North African countries.

The chicken and turkey sectors are under

control of marketing boards which regulate supply through production and import quotas. The import quota on chickens for 1980 is set at 22,000 tons compared with 25,000 estimated for 1979 and at 23,587 tons for 1981. Traditionally, all such imports have come from the United States. The United States has also been supplying Canada with 2,000 to 3,000 tons of turkey meat and several million dozen eggs per year.

Canada imports large quantities of fruits and vegetables—a very large proportion of which comes from the United States. The value of such imports from the United States approached US\$600 million in 1978 and 1979; in 1980, these imports are expected to reach about US\$625 million. (*Pat Weisgerber*)

MEXICO

The Mexican economy, in a continuation of the recovery that started in 1978, showed more dynamism in 1979 than expected. Economic activity showed considerable strength in 1979 as real GDP growth reached 8 percent. The rapid growth rate reflected high utilization of production capacity and brought to focus problems related to the supply of raw materials, transportation, and storage. High domestic demand resulted in a sharp increase in the growth of imports while exports of goods and services other than petroleum slowed. Hence, the current account registered a \$4.2-billion deficit which was nearly offset by capital inflows and money from tourism which helped international reserves increase nearly 34 percent to \$3.1 billion.

The strong expansion of demand, coupled with supply bottlenecks, resulted in higher inflation, estimated at near 20 percent. Increases in employment and personal disposable income expanded private consumption expenditures. Government consumption is estimated to have grown about 10 percent in 1979. Public and private investment both increased about 18 percent. The financial sector continued its strong credit and money supply expansion policy while the public sector deficit remained similar to that in 1978, at about 6.6 percent of GDP.

The petroleum, petrochemical, and construction sectors again led the advance in economic growth with gains of 15, 14, and 12 percent, respectively. The electrical and manufacturing sectors experienced good gains, but agriculture remained constant.

Mexican agriculture, as usual, was plagued by weather problems during 1979. Transportation was also once again an area of much concern for the

farm sector as shortages of railcars prevented timely movement of agricultural commodities. Agricultural production in 1979 stagnated at the 1978 level and was slightly more than 1 percent below the longrun trend. The poor agricultural performance and the high population growth rate resulted in per capita farm output and food production falling to the lowest level of the past decade. While some crops experienced improvement during 1979, overall cereal and oilseed production failed to keep pace with demand.

Slightly higher coffee yields offset a drop in harvested area as coffee production remained near the 1978 level. Domestic coffee consumption increased slightly in 1979 and coffee stocks fell as exports increased nearly 70 percent. Cocoa bean production increased slightly as harvested area expanded and yields improved due to rehabilitation of some trees. Output is also expected to increase about 3 percent in 1980.

Problems continued within the sugar industry during 1979. Despite a slight improvement in production, 1979's sugar output was disappointing. Labor shortages during harvesting and delayed milling resulted in lower sucrose content of the cane. Government price controls on sugar continued to encourage consumption which had been expanding 9 to 10 percent per year. Household consumption of sugar continued to remain about constant because of distribution problems, but this was offset by increased usage in the rapidly growing soft drink sector.

Production of most fruits and vegetables continued to expand in response to strong demand during 1979. An exception was strawberry production which fell as pest problems and the declining quality of plants lowered yields. Tomato

production was up about 10 percent due to increased area.

Farmer dissatisfaction with wheat prices resulted in a shift to cotton in 1979, with cotton area expanding 10 percent. However, insect problems and unfavorable weather lowered yields, and 1979 cotton production declined slightly from the 1978 level and was about 3 percent below the longrun trend. Increased exports and higher domestic consumption continued to put downward pressure on cotton stocks during 1979. Increases in support levels for wheat, soybeans, and basic food grains are expected to encourage farmers to switch from cotton to food grains and soybeans in 1980, and could result in a 20-percent decline in cotton exports during 1980.

A sharp drop in 1979 wheat area was partly offset by higher yields as production dropped 6 percent from 1978. The decline in area reflects the longrun down trend in wheat area resulting from low support prices for wheat and a wet planting period which prevented farmers from reaching area goals. Concern over basic food production resulted in the Government increasing the support price for wheat about 18 percent in the fall of 1979. Higher prices and anticipated water shortages for the summer of 1980 in northwest Mexico encouraged expansion in fall 1979 wheat plantings—up nearly 60 percent. Current information indicates a May-June 1980 harvest of 2.5 million tons with 1980 wheat imports down slightly from 1979 to about 1.1 million.

Corn is the primary food grain consumed in Mexico, and corn tortillas are the basic food item in the diet of most rural communities and the majority of the urban working and middle classes. The 1979 corn harvest was very poor—estimates indicate that it was about 8 percent below the 1978 crop and more than 10 percent below the longrun trend. Corn, grown all across the country, is highly dependent on rainfall since only 10 to 15 percent is irrigated. In 5 of the past 9 years, Mexico has experienced rainfall well below the average. The drought combined with early frost reduced production sharply in 1979. To encourage spring 1980 plantings, the Government raised the support price for corn to \$152 per ton. However, continued dry weather through March 1980 places some uncertainty on the outlook for the 1980 crop.

Beans, the other main ingredient in the Mexican diet, also suffered from the 1979 drought and early frost. Estimates indicate production was nearly 30 percent below 1978, and about 37 percent below the long run trend.

Improved availability of irrigation water, early in 1979, permitted an expansion in rice area and resulted in production, about 16 percent above 1978; but still nearly 10 percent below the longrun

trend. The outlook for 1980 is for a reduction in rice production due to continued dry conditions and declining reservoir water levels throughout northern Mexico.

Drought conditions also affected 1979 sorghum production, reducing it nearly 30 percent below the 1978 and longrun trend levels. Barley and oat production were also down sharply from 1978. The outlook for the spring 1980 sorghum crop is favorable. The Government's efforts to encourage corn production in 1980 could result in some shifting out of sorghum, which would result in higher imports of sorghum.

Mexican oilseed production, during 1979, increased dramatically from the 1978 level. The larger output is attributed to substantial gains in harvested area for all major oilseed crops plus some improvement in yields. Soybeans production nearly doubled in 1979 and replaced cottonseed as the number one oilseed. Farmers, encouraged by the removal of restrictions on planting, abundant water supplies in early 1979, and higher support prices, expanded soybean area by nearly 60 percent. Safflower production was up slightly as expanded area offset yields which were lowered by unseasonal rains at maturity. Sesame production continued to expand in response to growing export demand and was nearly 22 percent above the longrun trend. Domestic consumption of oilseed products continued to increase because of the larger urban populations and incomes, expanded Government retailing and distribution systems, and a growing mixed feed industry. The outlook for major oilseed crops in 1980 indicates a drop-off in production, primarily because of shortages of irrigation water.

The livestock sector was plagued not only by transportation and feed problems, but also by other economic and political factors. The drought and frosts which reduced crop production also damaged pastures. The northern states were particularly hard hit because Mexican cattle production is almost entirely dependent on pasture. Increasing domestic demand for beef and the slow expansion of the livestock sector the past few years resulted in a Government embargo on exports of beef and live cattle. Because of inadequate transportation, storage, and slaughter facilities to convert and move meat production to consuming centers from northern areas, which traditionally produce for export, the embargo had little impact on the consumption of domestic beef. Thus, this embargo resulted in increased cattle numbers and put additional pressure on pastures. Beef and veal production in 1979 increased only slightly from 1978.

Cattle imports, mostly holstein to improve dairy herds, remained at 1978 levels. Cattle exports

dropped sharply because of the embargo, registering only 381,000 head, less than half the 1978 number. Beef and veal amounted to only 13 percent of the 45,000 tons exported in 1978. Exports of live cattle—mostly feeder cattle—should be up in 1980. The Government originally set a quota of 440,000 head for the September 1979 to August 1980 period but later increased it to about 517,000 head. By early February 1980, 422,000 head had already been exported. Beef and veal exports are expected to increase to about 25,000 tons in 1980, assuming Mexico permits this level of exports. Domestic production of beef and veal in 1980 is expected to remain near the 1979 figure.

The swine industry experienced about a 2-percent increase in production in 1979. This was somewhat less than anticipated due to a lack of new investment and some transportation-related disruptions. The poultry industry continued to expand rapidly during 1979. Estimates indicate a 12-percent increase in poultry meat production in 1980, despite some feed storage problems. Egg production also increased 6 to 9 percent during 1979. As in the other livestock sectors, poultry meat and egg production in 1980 will depend on the transportation situation and the cost and availability of feed.

Milk production is estimated to have increased about 2 percent in 1979. Faced with declining profits in 1979, dairymen began switching to more non-confined operations. The Government approved a 20-percent milk price increase during 1979, after 2 years of stable milk prices and the steadily increasing cost of producing milk.

Mexico's agricultural exports continued to decline in relative importance to total exports during 1979. Petroleum products accounted for about 35 percent of total exports during the January-November period of 1978 and accounted for 49 percent for the same period during 1979. Agricultural exports, while slipping relatively, increased in value over 14 percent from 1978. Coffee, the single most important farm export, was about 50 percent higher in value in 1979 as a result of a sharp increase in volume which offset lower prices. Cotton exports were up in both quantity and value.

The United States again was Mexico's main supplier and market for farm goods. Because of the continuing relatively poor performance in the Mexican agricultural sector and increasing Mexican demand, the value of U.S. farm shipments were up 77 percent to \$1 billion: corn exports fell about 40 percent to 848,000 tons—partly due to transportation problems; sorghum exports jumped 115 percent to 1.3 million tons; soybean exports dropped 42 percent to 408,000 tons while cottonseed was down nearly 97 percent to 1,000 tons, and sunflowerseed fell from 319,000 tons to 1,000 tons.

The value of U.S. farm imports from Mexico increased 11 percent to \$1.2 billion in 1979. Coffee accounted for most of the increase, reaching \$420 million, as the result of a sharp increase in volume and somewhat higher prices.

The 1980 outlook is for a continuation of strong GDP growth, presently forecast at 8 percent. The introduction of the value added tax, plus wage adjustments and price increases on some controlled price items in the first part of the year, resulted in rather sharp increases in the price index for the first 2-months of 1980. Inflation will continue to be a problem, but some sources see it declining during 1980. The public expenditure program for the next 2 years will give increasing priority to those programs and investments which will sustain economic growth and create jobs. Particular attention will be directed toward the agricultural and rural sector, the transportation system, storage facilities, and port capacities.

During 1979, the Government made a number of policy changes that will influence agriculture and agricultural trade. In an attempt to reverse the trend toward growing trade restrictions, Mexico moved toward liberalizing its trade policies. This included a return to a tender basis for the purchase of grains with some purchases made directly for the accounts of private firms rather than the Government. Mixed committees, with representatives from Government and private trade associations, were established to provide the framework for import decisions and to purchase in the name of and for the account of private firms. Even though some purchases were made on a tender basis, the Mexican Government still preferred to deal Government-to-Government or by direct negotiations with foreign suppliers.

In order to assure that retail prices were not raised excessively, the Government established a rigid retail price system over a number of basic foods. On the producer side, price support increases ranged from 4 to 15 percent during 1979. The outlook for 1980 is for additional support price increases along with more credit being directed to the farm sector. Perhaps the most innovative new plan to be discussed over the past decade is the "Mexican Food System". This very comprehensive plan was announced at the end of March 1980. It calls for self-sufficiency in basic foods—corn and beans—by 1982, and better nutrition for the population. The basic component of the system is the development of dryland production districts. The impact of this is yet to be determined.

Regardless of the level of agricultural production in 1980, the agricultural trade outlook for 1980 and 1981 is for continued large-scale imports of basic food commodities. Depending upon the success of various programs the level of imports will vary.

However, in order to cover deficits in production, rebuild stocks, and insure domestic supplies in the

2 years prior to the next presidential election, the overall trend will be up. (*John E. Link*)

CARIBBEAN

Cuba

Cuba's economic growth in 1979—officially estimated between 4 and 5 percent—failed to meet the planned target of 6 percent. The principal causes for failure were shortfalls in sugar and tobacco production and labor productivity gains of only 0.8 percent compared with a projected goal of 4 percent.

Aggregate agricultural output has increased at 5 to 7 percent over the past 3 years. This performance compares favorably with the Government's goal to expand output by about 16 percent between 1976 and 1980. New lands were brought into production, irrigation works were developed and improved, and considerable progress was made in agricultural mechanization, particularly for sugarcane.

The country's economy is dominated by developments in the sugar industry. Cuba produces about 7 percent of world sugar production and competes with Brazil as the world's largest sugar producer. Sugar output increased from an average of about 5.5 million tons during 1971-74 to over 7 million tons for the period 1977-79. Sugar exports account for 75 to 85 percent of the country's foreign exchange earnings.

Nearly 40 percent of sugar harvesting is now mechanized and this figure is expected to exceed 60 percent by the early 1980's. The lifting and loading of harvested cane is completely mechanized, and since 1975 more than 50 percent of sugarcane land has been treated with herbicides to control weeds. There are 16 sugar refineries and 11 distilleries in operation and construction of 4 new sugar mills is in process. Progress has also been made in repairing 9,500 kilometers of railway track servicing the industry and in developing machinery manufacturing plants to produce mechanical sugarcane harvesting equipment and repair parts for the sugar mills.

Growing conditions for Cuba's 1978/79 sugarcane crop were reported to be excellent and, in spite of harvesting problems resulting from wet weather and a high rate of worker absenteeism, sugar production was officially estimated down only slightly from the target of 8 million tons. However, the Government announced that 1979/80 production will be down sharply—1 to 2 million tons—because of rust and a host of additional problems. Some reports indicate that serious spread of sugar rust may have affected cane varieties

which make up as much as 40 percent of the crop. A special campaign to replant more resistant varieties is underway.

Tobacco is the second most important export crop. Growers were successful in meeting their planting goals of 47,000 hectares in 1979, but production was devastated by an outbreak of blue mold and other diseases. According to reports, only a tenth of the crop withstood the spread of blue mold. When the first outbreak of blue mold hit the 1979 tobacco crop, production estimates were 30,000 tons, but were later lowered to about 5,000. This severe drop in production resulted not only in cancelling some 1980 export contracts but also in importing some tobacco from Spain.

Citrus is becoming more important and will likely replace tobacco as the second most important export crop. Program objectives for 1980 are to increase area from 160,000 to 200,000 hectares. Official production forecasts are for 350,000 tons, up from 250,000 tons in 1979. Most of the increased production will be for export.

An ambitious program to rehabilitate coffee plantations in the mountainous eastern region of the country has been underway since 1975 when frosts in Brazil caused world prices to rise sharply. Price incentives and improved credit facilities are offered to producers, and coffee workers are being paid higher wages.

Food production has been expanding but shortages in the market place still persist. Much progress was made between 1970 and 1979 in increasing the production of tomatoes, bananas, and plantains. Progress also has been made in expanding rice production, but it is still too early to conclude whether the original objectives of 100 percent self-sufficiency in rice by the early 1980's will be met. Pork production, however, will be greatly affected by the severe outbreak of African Swine Fever, particularly in Guantanamo, one of the most important pork producing areas.

Canadian exports to Cuba—Canada's most important trading partner in Latin America—reached \$186 million in 1979 up from \$157 million in 1978. Nearly three-fourths of this trade was wheat and wheat flour. Cuban exports to Canada were only about \$50 million and have shown little growth in recent years. Attempts are being made to expand trade with the non-communist industrial countries, particularly Japan, Canada and Spain.

During 1979, sugar exports to USSR were about

3.8 million tons compared with 3.9 million in 1978. During 1978, 555,000 tons were supplied to socialist countries such as Albania, People's Republic of China, and Yugoslavia; up to 600,000 tons went to other Council for Mutual Economic Assistance (CMEA) countries. About 2.6 million tons went to noncommunist countries and for domestic consumption.

Under the January 1978 International Sugar Agreement (ISA), Cuba was allocated an export quota of 2.5 million tons. To meet this quota, Cuba needs to produce at least 7.5 million tons. Since the free market price has risen from 8 cents per pound early in 1979 to over 20 cents in early 1980, Cuba has been negotiating to reduce its sugar commitments to the USSR to protect its free market ISA quota allowance.

Cuba's budget and economic plans for 1980 indicate a drop in the economic growth rate to 3 percent mainly because of the decline in sugar output and the near failure in the tobacco crop. Budget projections for 1980 indicate little or no increase over 1979 expenditures. Small budget increases for agriculture, industry, education, and public health are expected to be offset by small budgetary cuts in housing, community services, defense, and internal security. Officials have indicated that priority will be given to finishing projects already underway rather than beginning ambitious new ones. (*Nydia Rivera Sanchez*)

Dominican Republic

The Dominican Republic, with a population of over 5 million, is the second largest country in the Caribbean after Cuba. Per capita GDP is estimated at \$890. The rate of economic growth, however, has declined over the past 5 years, due largely to the significant increase in the cost of imported fuel and a decrease in the price of its key export—sugar. End-of-year estimates indicate a GDP increase of more than 5 percent in 1979. This is slightly below the estimate made before Hurricanes David and Frederick hit the island.

The country's balance of payments, like that of most energy importing countries, has deteriorated since 1973. However, the balance-of-payments problem was alleviated, in 1979, through a series of international loans, credits, and donations received following the hurricanes. Inflation, minimal in the 1960's, accelerated in the 1970's and exceeded 20 percent in 1979.

Agriculture remains the most important sector of the economy, although second to manufacturing ■■ a percentage of GDP since 1975. Unemployment remains a serious problem. Total agricultural output fell, as a result of Hurricanes David and Frederick, from an index of 150 in 1978 to 146 in 1979. Total food production continued at about the same

level ■■ in 1978. Coffee suffered damage from the hurricanes—latest estimates indicate that 10 percent of the coffee trees were lost. The per capita index of agricultural production declined from 100 in 1978 to 95 in 1979. Commodities showing the largest 1979 reductions were coffee, beans, potatoes, sweetpotatoes, and tobacco.

The Price Stabilization Institute (INESPRE) continued to administer its system of price supports and market controls for rice, beans, corn, edible oils, sugar, onions, garlic, and chicken. Price supports for red and black beans were raised about 8 percent in 1979, but were held constant for rice, corn, sorghum, onions, and potatoes.

The Dominican Republic requires both import and export permits for practically all products to protect the domestic food supply/demand situation from fluctuations in the world food situation. Granting and withholding permits enables the Government to regulate quantities of imports and exports needed to meet domestic requirements without completely banning exports or imports of individual products.

The value of 1979 agricultural exports was estimated at about \$530 million, 17 percent above 1978. Sugar, coffee, cocoa, and tobacco are traditional agricultural exports of the Dominican Republic and account for 96 percent of total agricultural export value. The United States purchased approximately 77 percent of the Dominican Republic's agricultural exports.

Agricultural imports for 1979 were estimated at about \$230 million. The Dominican Republic continues to be the best overall Caribbean market for U.S. agricultural exports. U.S. agricultural exports were valued at \$180 million in 1979 and accounted for 78 percent of all agricultural imports.

The Dominican Republic continues to be dependent on imports to satisfy the increasing domestic demand for many food and feed products, such as wheat, rice, feed grains, and oilseed products. During 1979, the balance of trade deteriorated to a deficit of almost \$300 million as total exports reached nearly \$775 million while imports rose by 25 percent to about \$1,070 million.

Sugar output, which failed to meet early 1979 estimates because of technical and labor problems and because of heavy rains during the harvest season, was still over 2 percent above the 1978 level due to the increase in the total area harvested.

Cocoa bean production in 1979 increased about 6 percent in response to generally favorable weather conditions, no major pest and disease problems, and continued Government assistance to growers.

Rice remains the chief staple of the Dominican diet. Per capita consumption is estimated at 100 pounds per year (milled basis). Although 1979 rice production did not exceed 1978 levels, no rice was

imported and consumption levels were maintained only by reducing stocks to very low levels.

A moderate improvement in the livestock sector was related to good weather and good pasture conditions throughout the year. This was offset to some extent by the devastation created by the African Swine Fever (ASF) epidemic and heavy losses in the poultry industry caused by Hurricane David. As of April 1980, the Dominican Government continued its ban on beef exports. Domestic consumption of beef increased about 5.5 percent over 1978.

During 1979, the country continued to receive bilateral and multilateral assistance from international institutions and foreign governments. For FY 1979, the United States extended a \$28-million line of credit under the Commodity Credit Corporation (CCC) to purchase U.S. vegetable oils, soybeans, and wheat. A \$15-million PL 480, Title 1 program was negotiated featuring wheat, vegetable oils, and corn.

The general economic outlook for 1980 appears to be relatively good. Total agricultural production is expected to rise by 5 percent in 1980 and regain 1978 levels. Commodities expected to show recovery in 1980 are pigeon peas, beans, onions, potatoes, cassava, rice, and beef. Foreign exchange earnings from the main export products—coffee, sugar and cocoa—appear good since prices are expected to remain strong and production prospects are favorable. Total export earnings are expected to reach \$1.27 billion, a 27-percent increase from 1979.

The Ministry of Agriculture recently announced an ambitious plan to invest more than \$350 million in the agricultural sector. Much of this investment (\$200 million) will be made through the Agricultural Bank. The Government is also continuing its policy of encouraging heavy investments in the development and improvement of irrigation systems. Government policies are expected to have a long range positive effect on the improvement of the agricultural sector. (*Nydia Rivera Sanchez*)

Haiti

Haiti's economic growth in 1979 was about the same as the previous year despite the smaller 1978/79 coffee crop (harvested in 1978 but sold in 1979) which resulted in a decline in export earnings. Improved overall performance in 1979 agricultural output, along with continued moderate growth in light manufacturing and construction industries, helped maintain annual per capita GDP growth at about 2.5 percent for the 1970-79 period.

As a result of poor foreign exchange earnings from coffee in 1979, Haiti's balance of payments showed a deficit of about \$12 million, the first in 4

years. A favorable balance-of-payment position in recent years has concealed a chronic trade deficit that exceeded \$63 million in 1977, \$61 million in 1978, and an estimated \$97 million in 1979.

Agriculture, which employs 80 percent of the people and produces over 40 percent of the GDP, continued to be the most important sector in Haiti's economy. Potential growth in this sector is limited because the fertile areas are heavily overpopulated and much of the remaining production occurs in mountainous areas. Productivity of agricultural workers remains low because farming techniques are primitive, size of farm units are extremely small, and transportation is very inadequate. The country's need to produce cash crops such as coffee, sugar, and sisal to earn foreign exchange is hampered by the pressure to produce subsistence crops such as corn, sorghum, and beans.

The index of total agricultural production of 109 in 1979 was up 15 percent from 95 in 1978. Nevertheless, over the past 6 years, per capita food production levels have dropped about 19 percent below those attained in the early 1970's.

Traditionally, the principal export crops have been coffee, sugar, and sisal. Coffee—the most important cash crop—accounts for a third of the country's foreign exchange earnings and provides the principal source of income for about 2.5 million people. Coffee production in 1977/78 rose 20 percent to 31,200 tons from 26,100 tons in 1976/77. Coffee production in 1978/79 dropped 20 percent to about 25,000 tons. Reasons for this decline were the downphase of the "good year-bad year" cycle along with much greater than usual rainfall during the critical flowering stage. In line with the forthcoming up phase of the cycle, the 1979/80 crop is expected to approach 39,000 or 40,000 tons, the highest level attained in the last decade.

Production of sugarcane—traditionally an important export crop—declined significantly in 1977 and 1978 and resulted in the country changing from a net exporter to a net importer of sugar. Production in 1979—estimated at about 65,000 tons—increased considerably from the 52,000 tons in 1978. Failure of sugar production to expand more rapidly is attributed to serious soil salinity problems in the principal sugar growing areas, poor production technology, and a shift from production of sugarcane to food crops.

Sisal production—the third principal export crop—reached 8,000 tons in 1979 compared with 7,000 tons in 1978. This industry continues to suffer from competition from Mexico, Brazil, and East Africa. The Government has announced intentions to improve processing equipment and modernize production techniques on a privately owned plantation in the northern part of the country.

Haiti is far from being self-sufficient in rice production—a staple of the Haitian diet. Consumer demand is strong and consumption has more than doubled over the past 25 years, and continues to far outstrip production. As a result, substantial rice imports have been necessary in recent years. Heavy rains during May and June damaged the 1979 crop and 15,000 tons had to be imported.

Since no wheat is grown in Haiti, domestic consumption is met through imports. During 1979, over 94,000 tons were imported—these came principally from Canada on easy repayment terms but about 18,000 tons were from the United States under PL-480, and about 2,000 tons were donated by France. This represents roughly a 23-percent drop from about 123,000 tons imported in 1978. The main reasons for the drop were a large corn carryover and a lack of foreign exchange.

The outlook for 1980 crop production is a little less favorable than in 1979. Production of rice is not expected to exceed the 1978/79 level of 95,000 tons, and the outlook for corn, dry beans, and peas is problematical since production of these crops is highly dependent on the weather.

The long range outlook for increasing food production and nutritional levels in Haiti is very poor. The growing trade deficit is related to the rising import demand. The man-to-land ratio is probably the highest in the Western Hemisphere. Population, one of the densest in the Caribbean, continued to grow at about 2.4 percent in 1979, further intensifying the pressure on scarce land resources. Average per capita income, the lowest in Latin America, is not expected to improve much. As a result, increased imports of basic foods—wheat, rice, pulses and vegetable oils—needed to meet minimum food requirements will have to be financed under concessional food aid programs in 1980. (*Nydia Rivera Sanchez*)

Jamaica

Jamaica's economy has experienced negative growth for the past 7 years. Estimates indicate that the GDP may have declined by another 1 to 3 percent in 1979. Causes for the economic decline include increased oil prices, higher taxes on bauxite production, and low private investment. Government social and infrastructure programs, designed to bring about social justice, included investments that have not increased production for either domestic use or for exports.

Jamaica, like other Caribbean countries, is facing serious balance-of-trade problems. Higher prices for bauxite and sugar may increase foreign exchange earnings in 1980 but dependence upon imported food, fuel, and manufactured items will keep the trade balance negative. Jamaica began to

devalue its currency in 1977 to help reverse sharp increases in its balance of payments deficit. Starting at J\$90=US\$1 in 1977, the rate of exchange fell to J\$1.78=US\$1 in May 1979. Devaluation has improved the country's international competitive position but not been enough to arrest the worsening economic and financial crisis.

Performance in the agricultural sector has been disappointing, and total output declined from an index of 88 in 1974 to 83 in 1979. The major decline occurred in the key export crop, sugar. Production targets for 1978 and 1979 were not met and the 1979 sugar crop, projected at 358,000 tons, fell short by some 88,000 tons, mainly because of heavy rains and disease. The Government now owns about 85 percent of the sugar mills, but this did not prevent workers' strikes nor cane fires that caused heavy production losses in 1979. The Government's program for the sugar industry is primarily one of rehabilitation; the major objective is to increase sugar production to its peak 1971 level of 396,000 tons. Sugar exports fell to 165,000 tons in 1979, a 17-percent decline from 1978. As in the past, the United Kingdom, United States, and Canada remained the primary markets for Jamaican sugar.

Bananas, citrus, coffee, and cocoa output stagnated at lower production levels over the past 4 years. High labor costs, poor production conditions, and inability to compete internationally resulted in these former export crops now being sold primarily in the domestic market. Bananas are still exported to the United Kingdom, but only at subsidized prices. In recent years, the Government's rehabilitation program to raise the level of banana exports has been delayed because of unexpected disease problems and unfavorable weather in 1979. Other products, primarily pimento, citrus, coffee, cocoa, and tobacco, account for about 20 percent of total exports.

Some progress has been made in poultry and pork production. This progress has been dependent on importation of feed grains and soybean products, primarily from the United States. Coarse grains (corn, sorghum) imports have increased from less than 100,000 tons in the 1960's to over 200,000 tons in 1979. These grain imports, along with soybeans, have provided the basis for increased broiler and pork production. The broiler industry has increased at the rate of 10 to 12 percent annually since the 1960's. Expansion in feed mills and storage facilities indicates that the need for feed imports will rise by 5 percent annually over the next few years. Corn production (13,000 tons) is primarily for the fresh market with little or no potential for expansion.

Most of Jamaica's food production is for domestic consumption and is supplemented by imports of

bulk commodities such as wheat, rice, and vegetable oils. Of total 1979 wheat imports, about 76,000 tons originated in Canada and 15,000 tons in the United States. The United States was the principal supplier of wheat to Jamaica until Canada took the lead in 1977.

Some progress has been made toward expanding rice production which has risen to about 4,000 tons (milled) in 1979 from 1,380 tons in 1975. However, consumption in 1979 was about 50,000 tons and it appears that Jamaica will continue to import 80 to 90 percent of its rice requirements. Under the Caribbean Rice Market Agreement, preference is given to imports from Guyana. The United States has been the residual supplier and provided about 4,000 tons in 1979.

The outlook for the economy in 1980 is bleak. Jamaica's cabinet submitted a report stating that measures taken to rectify Jamaica's present problems must include a restructuring of the Government and an overhaul of the administrative system. Expected budget cuts would put over 10,000 Jamaicans out of work and force reductions in health, welfare, and literacy improvement programs.

In March 1980, the Government of Jamaica broke off negotiations with the International Monetary Fund (IMF) for new credits, leaving the country with no financing to cover some \$150 million in foreign debts coming due in 1980. IMF lending has played a crucial role over the past few years in financing balance-of-payments deficits. Recent difficulties in attracting foreign investments and disappointing earnings from bauxite have resulted in a worsening of the economic problems. The Government expects a considerably enlarged flow of investment capital into the bauxite industry following a recent agreement with the foreign bauxite companies operating in the country. However, these expectations may be premature.

The Government hopes that the increased incentives for agricultural and agro-industrial production (guaranteed prices for the most important crops, improved soil conservation, better marketing) have encouraged the output of food crops as a substitute for imported foodstuffs. The depreciation of the currency is expected to have a positive impact on the traditional export earnings from sugar, bananas, and tourism. (*Nydia Rivera Sanchez*)

Trinidad and Tobago

The economy of Trinidad and Tobago continued its unprecedented growth in 1979, although wind-fall oil profits were down slightly in 1978 and 1979. The softening of the petroleum sector was attributed to a shifting demand for Trinidad's refinery

products. Compared with 1974-77, refineries operated below full capacity for longer periods during 1978 and 1979 because some U.S. buyers began purchasing more petroleum products from U.S. refineries. But this appeared to be only a temporary phenomenon since the world market for Trinidad's oil products is strong.

All sectors, except agriculture, continued to expand in 1979 as the demand for additional capital investments remained strong and the economy continued to diversify. Calendar year 1979 ended with foreign reserves higher than ever and the Government's budget was balanced. Average per capita incomes were approaching \$3,500 per annum and growing. The balance-of-trade situation improved again in 1979 after weakening in 1978. Employment continued to increase and unemployment, about 12 percent in 1979, declined slightly as capital investments were encouraged. Real GDP continued to increase but at a slightly lower rate than the 6.1 percent repeated for 1978. The Government indicated the yearend inflation rate of 12 percent was unacceptable and that attempts would be made to reduce it in 1980.

Agriculture is no longer a primary source of aggregate income—the petroleum sector accounts for approximately 50 percent of GDP and agriculture only 3 to 4 percent. The agricultural sector, however, is the primary source of income for 15 percent of the labor force.

The 1979 index of agricultural production continued at about the 1978 level of 81, down 19 points from the 1961-65 base period. Early predictions were for appreciable increases during 1979, but a continuing scarcity of labor in rural areas and alternating wet and dry periods resulted in unanticipated reductions in crop yields. Nevertheless, there appeared to be some response to government policies and programs (price supports and subsidies for fertilizer and equipment) designed to increase agricultural output. Dual price systems for export crops, for example, increased producer profits while stabilizing consumer prices. But even with more 1979 production incentives, sugar output continued a 3-year decline by dropping 4,000 tons from the 148,000 tons produced a year earlier. The 1979 coffee crop totaled only 2,340 tons, down slightly from the year before. Cocoa production is expected to be about the same (3,000 tons) as in 1978, although this estimate is subject to another revision.

Continuing labor shortages experienced by sugar, cocoa, and coffee growers since 1973 have been attributed to higher wages and better working conditions in other sectors. Even with substantially higher wages in the agricultural sector in 1979, most agricultural workers were paid only half as much as laborers in other sectors.

Domestic demand for most agricultural products expanded in 1979. Improving per capita incomes, now among the highest in the Caribbean, and an 0.5 percent annual population increase contributed to the growing demand. Food shortages were not a problem in 1979, although fresh fruits and vegetables were frequently in short supply in local markets.

U.S. agricultural exports to Trinidad/Tobago increased 29 and 37 percent in 1978 and 1979 and accounted for about 30 percent of all agricultural commodity imports. U.S. agricultural exports surpassed \$75.0 million in 1979 and Trinidad and Tobago bought an increasing share of wheat, feed grains, oilseed products, fresh fruits, and vegetables from the United States.

The principal agricultural exports—sugar, cocoa, and coffee—accounted for less than 3 percent of all exports. Exports of petroleum and petroleum products, accounted for more than 90 percent of the total. Sugar (next to petroleum) remained the number two export in 1979. Nearly 93,900 tons of sugar were exported. This was 9,200 tons less than a year earlier as production was down again in 1979. Declining production in recent years has forced Trinidad/Tobago to import about 6,000 tons of refined sugar from Canada in 1978 and 1979 to support its export commitments. About 25 percent of the sugar exports went to the United States, with the major proportion going to the United Kingdom. The average export price of just over 15 cents per pound, reported by the Sugar Industry Rationalization Committee for 1979, was well below the cost of production for the third consecutive year.

Preliminary reports indicated that 1979 cocoa production and exports changed little from 1978. Exports of cocoa—the second most important agricultural export—were in excess of \$10 million again in 1979. The Netherlands buys most of Trinidad's cocoa beans.

Coffee exports of 1,740 tons in 1979 were up

slightly from 1978, but gross receipts of \$4.7 million were down about 39 percent, as coffee prices weakened. The United States and the United Kingdom buy most of Trinidad's coffee beans.

Real GDP for Trinidad/Tobago is expected to increase at an annual rate of 5.0 percent or more in 1980 as world demand for both petroleum and agricultural products strengthens. The Government is expected to control inflation and to use its foreign reserves to purchase additional supplies of food, clothing, and other commodities as needed. Additional production incentives are being considered in the agricultural sector, but prospects for success appear limited, particularly in the short run, as land speculation and rapidly rising wages make it increasingly difficult for the producers of export crops to compete in world markets.

Significant growth is expected in all sectors except agriculture. Continuing capital investments in the non-agricultural sectors are expected to provide additional jobs. However, port congestion and continuing scarcities of building materials, storage facilities, and transportation equipment are expected to have slightly depressing effects in 1980.

Sugar production could be increased 10 to 15 percent with ideal growing and harvesting conditions in 1980, but increases beyond 15 percent are not likely as planted acreages remain essentially unchanged from the previous year. Harvested areas of cocoa and coffee are close to 1979 levels which preclude any likelihood of increased output in 1980.

Imports of wheat, feed grains, soybean products, animal feeds, and other agricultural commodities are expected to increase by 10 to 20 percent in 1980. The U.S. share of the total agricultural imports will probably increase during 1980, as the United States remains a primary supplier of agricultural products to Trinidad/Tobago. Concessional sales do not appear to be needed in 1980. (*Richard N. Brown, Jr.*)

CENTRAL AMERICA

Costa Rica

Economic growth in Costa Rica continued to weaken in 1979, as limited expansion of exports and rising import costs increased the trade deficit. A record inflationary rate of 15 percent was fueled by strong internal demand and expansionary monetary policies. To control inflation and reduce the trade deficit, the Government initiated a stabilization program of fiscal and monetary restraints, in late 1979, aimed at dampening

growth of demand. As a result, real economic growth is projected to be down from the rate of about 5 percent in 1979 to 1 percent in 1980.

Problems of low coffee prices and rising costs for imported oil were compounded by the 1979 disruption of trade with other Central American countries, particularly Nicaragua. The industrial, commercial, and construction sectors continued to outpace overall economic growth, spurred by strong demand and increased Government

expenditures. However, agricultural output fell slightly, in part, because of bad weather and increased input costs. Total export earnings were estimated up only 2.7 percent to \$890 million in 1979, but imports rose 19 percent to a record \$1.4 billion. The large current account deficit was partly offset by Government borrowings and other inflows of foreign capital, but yearend foreign exchange reserves fell from \$194 million in 1978 to \$119 million in 1979.

Agricultural production for 1979 continued up moderately from a year earlier. The late 1978 corn and bean harvests were hurt by dry weather during planting and the early growing season, but grain sorghum production increased and rice production recovered to a new high of 195,000 tons. The 1978/79 coffee and sugar harvests also produced record outturns of 96,000 and 195,000 tons, but 1979 banana production fell off slightly to 1.1 million tons due to workers' strikes. Producers continued some rebuilding of cattle herds, restricting beef production to about the 1978 volume of 81,000 tons. Because of escalating costs, milk production declined in 1979, interrupting the steady rising trend of recent years.

During 1979, increases in coffee and sugar exports were partly offset by lower prices which prevailed early in the year, but agricultural trade earnings benefitted from higher prices for bananas, beef, and rice. Total agricultural exports were estimated slightly below the 1978 value of \$483 million. Increasing demand encouraged a further increase in imports of wheat, estimated at 98,000 tons in 1979. Costa Rica continued to import corn, and critical production shortages resulted in significant bean imports. U.S. agricultural trade with Costa Rica increased sharply; U.S. imports rose from a 1978 value of \$250 million to \$334 million in 1979, and exports were up from \$30 million to \$43 million.

Costa Rica continued strong programs to increase self-sufficiency of domestic food production, to increase output of coffee and bananas, and to encourage production and export of other commodities including macadamia nuts, coconuts, plantains, pineapples, and melons. Current policies are aimed at holding rice to about 60,000 hectares and increase the area planted to sorghum. The policy is assisted by support prices and technical assistance to improve production practices. Recent expansion of coffee production is attributed to a coffee improvement program which provides increased credit at favorable rates to producers.

The Government also maintains strong disease control programs for coffee, bananas, sugar, and cocoa beans. Two major concerns are the control of black sigatoka, which has appeared in a limited

area of the banana zone, and the prevention of the spread of coffee rust from neighboring countries.

Growing conditions were generally favorable for the late 1979 grain crops with production up sharply for rice, corn, and sorghum, but bean production was hurt by heavy rains. Coffee production was estimated to be down from the 1978/79 record because of damage from rains and fungus disease, but higher prices are expected to increase the harvested area for sugarcane with the 1979/80 sugar output up by 4 to 5 percent. The recent strike settlement will likely result in some 1980 recovery in bananas, and beef production is expected to rise sharply to 90,000 tons or more.

Because of lower production and carryover stocks, Costa Rican coffee exports will likely decline in 1980. However, larger export supplies of bananas, sugar, and beef plus increased world prices for coffee and sugar are expected to result in a significant rise in agricultural export earnings. If successful, the economic stabilization program will restrict import demand for wheat. No imports of corn are anticipated, but Costa Rica is expected to continue some bean imports. Continuing disruptions of trade with other Central American countries will likely encourage some increase in imports of vegetable oils and other agricultural imports from the United States in 1980. (*Howard L. Hall*)

El Salvador

In 1979, El Salvador moved into a serious economic recession because of extreme political unrest, attended by violence and severe disruption of industry and business activity. As a consequence of these developments and resulting uncertainties, the economy was adversely affected by rising unemployment, declining consumer demand, and a sharp curtailment of investment. Agriculture was less affected and production contributed to a significant recovery in agricultural trade, which provides about 75 percent of total export earnings. However, current estimates of real economic growth for 1979 range from zero to a negative 5.0 percent with a continued decline anticipated in 1980.

The military-civilian coalition Government (junta) which assumed power in October 1979 announced a number of important changes aimed at easing tensions and stabilizing the economy. These changes included nationalization of the banking system and major commodity exports, an increase in minimum wages, and a far-reaching land reform program. However, capital needed for implementing these changes has become scarce, and there is concern over outflows which contributed to a significant drawdown in 1979

year-end foreign exchange reserves. The economic outlook for 1980 will be affected by continuing political uncertainty, and financial restrictions imposed under austerity policies, which are expected to further depress the real level of economic activity during 1980.

The 1979 trade situation benefited from restricted consumption and a general increase in supplies of agricultural products. The late 1978 harvests of grains and other basic food crops recovered from an earlier drought, permitting a sharp cutback in imports. The 1978-79 coffee crop reached a new high, and exports rose 28 percent from the year-earlier volume. Large carryover stocks provided larger sugar sales. Cotton exports fell below the 1978 record, but beef production and exports continued up in response to rising prices. This situation was reflected in U.S. agricultural trade with El Salvador—U.S. imports from El Salvador rose from a 1978 value of \$157 million to \$270 million in 1979, and U.S. exports to El Salvador continued near the 1978 level of \$47 million due, partly, to higher prices for wheat, El Salvador's major import.

Growing conditions have been favorable but the 1979/80 agricultural situation has been affected by capital and labor shortages and some disruptions of marketing and processing activities particularly for cotton, sugar, and coffee. The late 1979 harvests of grains and pulses exceeded previous records. The 1980 output of beef and other livestock products are forecast to continue a rising trend, with further expansion of poultry meat to about 20,000 tons. However, exports for 1980 will reflect a further decline in cotton and reduced sugar supplies. Capital and labor shortages appear to have been significant factors in explaining low production from the recent coffee harvest of 162,000 tons, down 11 percent from the year-earlier crop of 180,000. There is also concern over the outbreak of coffee rust in an area of about 10,000 hectares near Usulután.

Trade will be affected by Government plans to nationalize exports of coffee, sugar, and cotton in 1980 under general direction of a new Ministry of Foreign Trade. Administration of the export system for coffee will be by a new agency, the National Coffee Institute (INCAFE), which absorbs all functions and assets of the Salvadorian Coffee Company. The new Institute will buy all coffee offered by producers by making an advance payment, with final settlement when the coffee crop is sold. The Institute will be assisted by an advisory council comprised of representatives of producers, processors, cooperatives, field workers, and mill laborers. Details on plans for sugar and cotton are not available, but systems are expected to be similar to coffee.

In December 1979, the Government froze sales and transfers of land and limited refinancing of farms exceeding 100 hectares as an initial step to the land reform program which was set in force by Government decrees in March 1980. The broad-ranging land reform program to be implemented by a new agency, the Salvadorian Institute for Agrarian Reform (ISTA), will extend to all land held by individuals, estates, and associations. The law provides for expropriation for holdings that exceed prescribed limits for lands falling in selected categories. Expropriated land will be reallocated to agricultural cooperatives, community associations, or other organizations of agricultural workers. A later decree extended reform provisions to include tenants in land reallocations. Compensation to former owners will be, largely, in agrarian reform bonds.

A March 1980 implementing decree prescribes that intervention will be limited to holdings of 500 hectares or larger in 1980, with actions on smaller properties to begin in 1981. If completed, the 1980 actions are expected to include up to one-fourth of the cultivated area, estimated at 731,000 hectares in 1977. They will likely affect some areas in sugarcane and cotton as well as grazing lands, with more limited impact upon coffee and the basic food crops which tend to be in smaller holdings.

An important objective of nationalization of banking is to guarantee a source of credit to new farmers on land brought under State control by the agrarian reform program. However, the land reform and other structural changes, including trade, are complex and face serious problems of limited capital and technical resources. These problems add to a less favorable outlook for agricultural trade in the coming year. (*Howard L. Hall*)

Guatemala

During 1979, the Guatemalan economy continued to lose momentum, and real economic growth was estimated down to 4.5 percent from rates of 8.4 and 5.2 percent in 1977 and 1978, respectively. Low world prices for major exports and the disruption of trade with neighboring Central American countries limited exports to about the 1978 value of \$1.1 to \$1.2 billion; higher costs, particularly for petroleum, increased imports 17 percent to \$1.45 billion. Business investment was dampened by growing tightness of money, and construction activity fell sharply. Excellent prospects for agriculture were reduced by rains, and total 1979 output was held at about the record level of 1978.

The 1979 trade deficit of about \$250 million was largely covered by capital inflows which kept year-end foreign exchange reserves at a high level of

about \$700 million; the rate of inflation was held to 11 percent, up from 8 percent in 1978. Prospects for economic growth in 1980 will continue to be affected by political and economic situations in the other Central American Common Market (CACM) countries. However, the strengthening of world coffee and sugar prices, and already high prices for cotton, beef, and cardamon point to total exports of about \$1.4 billion; imports are forecast to reach \$1.6 billion.

Increased production contributed to some recovery in agricultural exports, which were estimated up about 2.6 percent from 1978 to \$870 million in 1979. Production and exports of sugar from the 1978/79 harvest continued to decline because of low world prices. However, the record 1978/79 harvest provided a sharp rise in coffee exports, and output of beef continued up strongly in response to high export prices. Unusually favorable weather resulted in record production from the late 1978 harvest of grains, particularly corn and sorghum. The large output plus a drawdown in stocks permitted some reduction in corn imports. The improved 1979 situation was reflected in the U.S. agricultural trade with Guatemala; U.S. imports recovered from a 1978 value of \$310 million to \$379 million in 1979, while exports increased from \$48 million to \$53 million due, partly, to increased prices and diversion of U.S. trade from other Central American countries.

Because of heavy economic dependence on agriculture, which provides about a fourth of the GDP and over 70 percent of export earnings, the Government continued to give strong priority to agricultural and rural development programs. Large investments included the extension of highways, the opening of new areas to landless settlers, and the construction of grain storage and purchase stations. In recent years, over 1 million hectares of lands have been opened to settlement. Most lands are granted to cooperatives but new programs provide for sale of land (about 16 hectares per family) suitable for high-income crops (including coffee and cardamon). Under the program, farmers are given financial and technical assistance. The Government has recently launched a new program under which rural families are given aid in establishing gardens, poultry, and small swine operations.

The 1979/80 agricultural situation has been affected by prolonged September-October rains which resulted in cutbacks of late 1979 harvests of wheat and sorghum; cotton output fell to 148,000 tons from the 1978 record of 164,000. Corn was less affected and larger plantings increased production to a new high of 980,000 tons. Current estimates indicate the recent coffee harvest of 153,000 tons was down from the year-earlier high of 168,000.

However, higher world prices have encouraged an expansion in the harvested sugarcane area and 1979/80 production is forecast up 6 percent to 398,000 tons. New areas opened to cattle are expected to increase beef production to a new high exceeding 100,000 tons in 1980.

Guatemalan coffee exports may fall significantly in 1980 because of lower production and carryover stocks, and cotton sales will likely be down from the 1979 record. However, export earnings should continue to rise because of higher coffee prices and sharp increases in earnings from sugar, beef, banana, and spices. Guatemala is expected to increase wheat imports to about 100,000 tons; and corn imports may be increased sharply because of strong demand and the 1979 drawdown in stocks. (*Howard L. Hall*)

Honduras

Honduras maintained a strong development trend in 1979, and its agriculturally-oriented economy grew an estimated 6.7 percent, in real terms, following a 6.3-percent rise in 1978. Growth was fueled by further gains in agriculture which helped push total exports of goods and services to a new high of \$814 million. Although higher prices, particularly for petroleum, increased imports to \$919 million and widened the trade deficit, inflows of investments and other capital continued some buildup in foreign exchange reserves during the year.

However, rising import costs appeared to be an important factor in a dramatic rise in the consumer prices index late in 1979; the 1979 inflation rate of 18 percent was up from 8 percent in 1978 and 6 percent in 1977. There were also indications that private investment was being reduced because of restricted availability and higher costs of money and growing uncertainties associated with the outlook for a slowdown in world economic growth and economic instability in neighboring countries. Although prospects for agricultural trade remain favorable, current forecasts suggest a significant slowing of economic growth in 1980.

The 1978/79 grain harvests recovered to reduce 1979 import requirements for corn and rice. New coffee trees came into production and exports from the 1978/79 harvest of 68,000 tons rose dramatically. Expanded cane plantings maintained a rising trend in sugar production and sales. The banana export industry continued a strong recovery from the 1974 hurricane damage, and 1979 export earnings approximated the \$196 million for coffee. Trade earnings also benefited from an expansion of beef output from 51,000 tons in 1978 to 61,000 tons in 1979; and total agricul-

tural exports moved up to a new high of \$530 million.

Honduras remains strongly dependent on agriculture which provides 32 percent of the GDP, employs 56 percent of the labor force, and provides 65-70 percent of total export earnings. Honduras encourages investment for development of agriculture and forestry, and substantial public expenditures are devoted to improvement of infrastructure and related services. However, despite these significant developments, average per capita incomes of the country's 3 million people was estimated at a value of \$528 in 1978; and low incomes and living standards remain typical of the large rural population.

A prime objective of a 1975 agrarian reform law was the establishment of a land tenure system to improve the rural situation and increase productivity in the output of basic food crops. However, the law has been criticized by large landholders and agribusiness enterprises and uncertainty over its implementation has reportedly resulted in some reduction in private agricultural investment. Shortages of capital and technicians to provide assistance to cooperatives established under the law has also slowed progress.

The 1979/80 prospects for agriculture are less favorable than a year earlier. A further rise is anticipated for the 1979/80 harvest of coffee and sugar, and exports will benefit from higher world prices. Beef production is estimated down, although some carryover may maintain trade near the 1979 volume. However, banana production and exports were set back by the workers' strike which was recently settled. Recent reports indicate that the outlook for further increases in production of the late 1979 crops of grains and pulses were cut back sharply by heavy rains. Wet weather resulted in serious losses from outbreaks of blue mold in tobacco. Honduran imports of wheat, all from the United States, are forecast to total about 80,000 tons, including 15,000 tons under PL 480. Shortfalls in production may increase corn and sorghum imports to 100,000 tons or more, and Honduran agricultural imports from the United States will likely increase sharply from the 1979 value of \$32 million. (*Howard L. Hall*)

Nicaragua

The Nicaraguan economy was left in shambles by 2 years of political uncertainty and civil strife. After declining 7 percent in 1978, real GDP fell another 25 percent in 1979. Physical damage to industrial, business, and other properties from the civil war was estimated at \$500 million. Capital flight and loss of export earnings were as much as \$1.5 billion. When the new Government came to power in mid-1979, the national treasury was virtu-

ally empty and there was a foreign debt of \$1.6 billion. Many farm, industrial, and business properties of owners who left the country were confiscated. Current estimates indicate that the Government now controls about 20 percent of the agricultural lands, estimated at 5 million hectares. Likewise, about 30 percent of the potential industrial output is from factories owned or partly owned by the Government.

In late 1979, the Government was generally occupied in restoring order and maintaining food supplies and essential services for the country's 2.5 million people with the help of substantial foreign assistance. The banking and mining sectors were nationalized and foreign trade was placed under Government control as initial steps toward economic stabilization and recovery. The National Institute of Agrarian Reform (INRA) was established with broad powers to initiate reforms in land use and agricultural production.

In contrast with other sectors, there was little permanent damage to agriculture from the civil war. Favorable growing conditions resulted in record production from late 1978 harvests of corn, sorghum, and pulses. The 1978/79 rice crop was estimated down, but the important commercial export crops including cotton, coffee, and sugar were estimated near records of a year earlier. The 1979 livestock situation was affected by the civil war, which encouraged movement of cattle (particularly dairy) to bordering countries and reduced the output of meat and dairy products. A high volume of agricultural exports was maintained in early 1979, and despite a sharp drop in manufactured and related sales, total 1979 export earnings were estimated at \$598 million, down only moderately from \$621 million in 1978.

However, with the civil war approaching a climax during April-July, 1979, there was a serious disruption of agricultural activity. Severe labor and credit shortages plus uncertainty resulted in serious cutbacks in land preparation and planting operations. Planting of 1979 grains were estimated down 40 percent from 1978, and the area for cotton, the main export crop, fell from 174,000 to 35,000 hectares. Yields of these and other crops were adversely affected by neglect and unusually wet and cloudy weather through much of the growing season. Agricultural trade will benefit from higher prices for coffee and sugar in 1980, but total export earnings will reflect the lack of cotton supplies and more limited returns from beef exports. Nicaragua will also be faced with serious shortages of basic grains, pulses, fats and oils and other commodities; and increased imports will be needed to maintain food supplies until the 1980 harvests.

The Government has recognized the importance of agriculture, which has traditionally provided up to one-fourth of the national product and about

three-fourths of the country's export earnings; and increased productivity is given as a major objective of economic policy. The Government has granted INRA control of large areas, including the confiscated farmlands, which are currently being operated as state farms or as cooperatives for group farming by agricultural workers. Long-range plans have also been indicated for opening new lands to settlement. In addition, INRA has been given control of integrated agri-business enterprises such as sugar, rice, cotton, and beef on these holdings. The Government also assumed general control over the marketing and trade of agricultural commodities and supplies of inputs through semi-autonomous national organizations operating under the Ministry of Foreign Commerce.

To encourage domestic production, the National Basic Grain Company (ENABAS), the sole buyer of domestic and imported grains, has granted producers sharp increases in prices for 1980 delivery—particularly of rice and beans. Strong price incentives are expected to stimulate 1980/81 production of cotton, coffee, sugar, and beef. However, there is concern among private producers, who still account for a large share of production, over the lack of a well defined land policy and the government's inability to guarantee safety and to provide foreign exchange needed to finance purchases of spare parts, fertilizers, and other inputs.

The Government projects a significant recovery of agriculture and the gross national product in 1980 based partly upon anticipation of significant foreign loans and credits. Some recovery of agricultural production, particularly cotton, appears likely in 1980. However, because of continuing capital shortages and increased scarcity of key management and technical people, development may be limited. Full economic recovery to earlier growth trends does not appear likely for some time. (*Howard L. Hall*)

Panama

During 1979, Panama continued a moderate but broad-based recovery from the extensive 1975-77 recession; and real GDP growth was estimated at 3 to 4 percent compared with a 2.7-percent increase in 1978. The general pickup in consumer demand—began during the later part of 1978—continued during 1979. Increased Government expenditures were associated with higher canal revenues. Manufacturing industries recovered lost ground, and strong gains were reported for construction and power. The mainstays of the economy—transport, tourism, and banking—continued to expand; and agriculture had another good year.

The effect of these developments were dampened, somewhat, by some uncertainty over rising prices and money costs, and the United States-Panama Canal treaty scheduled for implementation October 1, 1980. Increased consumer demand and high import prices increased inflationary pressures, and the consumer price index increased at an estimated annual rate of near 12 percent during January-September 1979 compared with annual averages near 4.5 percent for the 2 previous years. There appeared to be some rise in investment related to increases in bank lendings and capital goods imports. Large imports resulted in some worsening of the trade deficit and added to the large external debt. However, on balance, the economic outlook remains favorable and some further improvement in growth is considered likely.

The agricultural situation in Panama is generally affected by a declining availability of good arable lands for development. Although about a third of the labor force is rural, agriculture's contribution to the GDP has fallen from 23 percent in 1960 to 15 percent in 1978. Confronted with limited availability of arable lands, the government initiated a strong program for self-sufficiency in grains (rice and corn) and beans in the mid-1970's, using price incentives and credit. These goals have not been realized for corn and beans, but the program has made Panama a small exporter of rice. There are no similar programs for the principal commercial crops (bananas, sugarcane, coffee, tobacco, and cocoa) or for cattle producers. Generally, those producers have good access to credit, and many medium and large farmers are concentrating on improving yields.

Larger supplies from the late 1978 grain harvests maintained 1979 rice exports at about 14,000 tons and permitted a significant cutback in corn imports. Wheat imports however, rose to about 65,000 tons. Production of bananas, the principal agricultural export, continued up to 745,000 tons, and the agricultural trade was improved by a record outturn of sugar from the 1978/79 harvest. During 1979, producers held cattle from the market to force prices up, and growing scarcities of meat led the Government to suspend beef exports for much of the year. In 1979, Panama continued as the largest Central American market for U.S. agricultural products and U.S. agricultural exports of \$62 million were up from \$57 million in 1978. U.S. agricultural imports from Panama, mainly bananas and sugar, rose from a 1978 value of \$72 million to \$85 million in 1979.

The current agricultural situation for 1979/80 is less favorable. The 1979 rice harvest fell off slightly from a year earlier, and production of corn and beans was hurt by bad weather. Higher world prices are expected to encourage some increase in

the harvested sugarcane area. The 1979 buildup in cattle and recent price increases granted to producers will likely result in a significant rise in beef production. However, in late 1979, a tropical storm demolished much of the banana crop in Chiriqui, the largest producing province, and 1980 production is forecast to drop to less than 400,000

tons. Strong demand is expected to push Panama's wheat imports, mainly from the United States, to nearly 70,000 tons in 1980, and some increase is anticipated for corn and beans. Panama will continue to provide a small but growing market for fats and oils, oilmeals, and a variety of processed food commodities. (*Howard L. Hall*)

SOUTH AMERICA

Argentina

World-record inflation of 140 percent continued to be the number one economic problem facing Argentina in 1979. Nevertheless, economic activity recovered from the previous year's slump to register a real GDP growth of 8 percent. This was achieved in spite of a moderate growth of only about 2 percent in the agricultural sector, which accounts for 12 to 13 percent of GDP. Industrial growth was stimulated by increasing foreign investments and the export sector again reached record levels. Total exports amounted to about \$7.7 billion, of which 80 percent were agricultural products. Higher world prices and a larger volume of agricultural exports were responsible for the trade gains. Non-traditional exports—including soybeans, fruits, fish, and processed and semi-processed leather products—registered strong growth. A positive trade balance of over \$1 billion pushed the already large international reserves to a record \$10 billion at the end of 1979.

Beginning in early 1979, the Argentine Government authorized a program to reduce import duties on a predetermined schedule that is to last until 1984. This policy was designed to reduce inflation by forcing domestic producers to become more competitive. While the full impact of the program will only be known in the longer run, a significant side effect for agriculture has been to reduce the cost of inputs such as seeds, hatching eggs, pesticides, and fertilizers. It is estimated that lower import prices led to increased fertilizer use on wheat lands from 2 percent of total area in 1977 to 12 percent in 1979. On the other hand, the dairy industry is faced with a difficult period of adjustment because lower tariff rates have made dairy product imports more competitive.

The other major anti-inflation measure has been to devalue the peso at a rate less than domestic inflation, thus, making imports relatively less expensive. In 1979, the peso devaluation schedule allowed for a 62-percent adjustment, whereas inflation ended the year at 140 percent. The net effect of this policy on agriculture was to make exports more expensive, and therefore, less competitive, and also to reduce real returns to

producers. There is no planned change in this policy for 1980, except that devaluation will be slower than in 1979.

In order to promote oilseed exports, the Government announced last July that the 10-percent tax on seed exports would be eliminated and a 10-percent export rebate on vegetable oils would be initiated. These measures were not expected to have an effect on trade until 1980. Another policy to encourage exports was to remove the ban on cattle hide exports beginning October 1, 1979. The ban, in effect since 1972, was replaced with a 20-percent export tax which will be gradually reduced to zero by 1981.

Wheat producers were encouraged to expand plantings in 1979, by the Government action to index the wheat support price to the cost-of-living index. During the previous year, the support price was pegged to the dollar which lost value to an artificially over-valued peso. The final major policy change, announced in late 1979, was the passage of a new grain law. For the first time in over 30 years, private traders will be permitted to own and operate port elevators and to charge storage costs. The law also allows producers and cooperatives to rent National Grain Board storage facilities. These measures were taken to encourage the expansion of storage capacity, which is currently only about one-half of total grain and oilseed production.

Wheat output declined by 4 percent to 7.8 million tons in 1979, in spite of a support price which was indexed to keep pace with inflation. The decline resulted from delayed plantings as the result of dry weather. The coarse grain crop was off by about 1 million tons from a record 18.3 million the previous season. In spite of increased area, corn output suffered because of dry weather during the tasseling stage. Sorghum area harvested was down 200,000 hectares due to reduced plantings and higher abandonment because of bad weather.

Unfavorable weather again will reduce the 1980 coarse grain production by about 6 million tons. Corn and sorghum yields suffered considerable damage due to dry and hot weather from mid-December 1979 to the end of January 1980, the crit-

ical flowering period for these two crops. Furthermore, area planted to sorghum decreased by 26 percent as prices for competing crops made sorghum less attractive. Wheat production in 1980 is expected to recover and exceed the 1978 output of 8.1 million tons since high prices should stimulate increased plantings and greater fertilizer use.

As a result of the favorable recovery of the 1978 crop, wheat exports jumped by 164 percent to 4.3 million tons in 1979. Corn exports remained at the 1978 level of 6 million tons, while the grain sorghum trade declined by 14 percent to 3.9 million. The largest buyers of Argentine wheat during 1979 were Brazil (35 percent), the PRC (21 percent), the USSR (6 percent), and Italy (6 percent); on a regional basis, Latin America took 61 percent of Argentine wheat exports. About 75 percent of corn exports were evenly divided between the USSR, Italy, and Spain, with smaller amounts going to Cuba (3 percent) and Singapore (3 percent). Japan was again the major buyer of Argentine sorghum, taking about 61 percent of available supplies. Other sorghum markets were Spain (10 percent), Taiwan (7 percent), Eastern Europe (7 percent), and Mexico (4 percent).

Estimates of the 1980 grain trade are complicated by the Argentine Government's decision not to discourage trade with the Soviet Union in response to the U.S. grain suspension. The poor weather conditions that affected the 1979/80 crops have substantially reduced Argentina's exportable supplies and, subsequently, its ability to fill the gap between Soviet import needs and reduced U.S. exports. Current estimates place exportable grain supplies at 8.5 million tons, of which 3.7 million is corn, 1.0 million sorghum, and 3.8 million wheat. Of the total, roughly two-thirds will likely be shipped to the USSR comprising mostly corn (3 million), wheat (2 million), sorghum (.5 million), and other feed grains. Traditional buyers of Argentine grains have been terminating earlier purchasing agreements to avoid the high prices resulting from Soviet interest in the Argentine grain market.

Favorable prices, extra returns from double cropping with wheat, and good weather boosted the 1979 soybean crop 41 percent over the previous season and brought total oilseed output to a record 6.6 million tons. The large increase in soybeans offset reduced sunflower plantings down by 20 percent, as producers shifted to soybeans and other crops. Lower cottonseed output was due to dry weather conditions during most of the season. Prospects for the 1980 oilseed crop are considerably reduced in spite of substantial gains expected for sunflower and cottonseed. The same dry weather conditions, which affected the 1980 major coarse grain crops, also took its toll on soybean production which is

not likely to be above the 1979 level of 3.8 million tons. Due to the large soybean area, 50 percent of which is double cropped with wheat, the lack of rainfall prevented or delayed almost all second-crop soybean plantings. Furthermore, double-crop soybeans, planted after the rains, ran the risk of late season frost damage. Substitution for less profitable crops resulted in expanded sunflower and cotton plantings which will partially offset reduced soybean prospects and bring total oilseed production to about 7 million tons.

The record 1979 soybean crop translated almost directly into a 40-percent increase in bean exports to 2.8 million tons. Major markets for Argentina's soybeans were the European crushers who took 88 percent of the total. Other significant importers were Eastern Europe and the PRC. Reduced Argentine supplies and increased international demand for oilseed products reduced exports of sunflower seed and linseed from the large volumes exported in 1978. Peanut exports increased in line with the large increase in 1979 production, which rebounded from the severe weather-damaged 1978 crop.

Improved production expectations should increase sunflower and linseed exports in 1980, as domestic consumption is relatively stable. Soybean exports are estimated to remain about the same level as last year, but they could be lower if the 10-percent export rebate on soybean oil provides an incentive to increase crushing. Other edible oils, along with linseed oil, will also be affected by the 10-percent rebate. Even though vegetable meals and oils are mostly exported to European markets, significant quantities are sold to South American buyers. The USSR is expected to purchase larger than normal quantities of Argentine soybeans in 1980, to help offset reduced Soviet feed grain supplies.

After 4 years of increasing slaughter, Argentine beef production, at 3.1 million tons, declined 4 percent in 1979, as the retention phase of the cattle cycle began in the last quarter of the year. Record-high prices in the third quarter weakened consumer demand, reducing per capita beef consumption from a near-record 94 kilograms in 1978 to 90 in 1979. Larger than normal quantities of poultry meat and eggs were imported as consumers substituted alternative protein sources for beef. Higher prices were the primary cause for a 6-percent drop in beef exports to 700,000 tons. Major 1979 export markets were the European Community (23 percent), South America (22 percent), the Middle East (13 percent), and the USSR (9 percent). Continued high prices and short supplies, due to herd rebuilding, will further reduce exports during 1980. Larger purchases by the USSR are possible in 1980 as Soviet meat imports are expected to expand considerably over 1979.

Fiber exports declined by a little over 40 percent in 1979, with cotton showing the largest decline. In spite of the largest cotton area planted during the past 20 years, 1979 output fell 26 percent to 170,000 tons from a record 1978 crop (230,000 tons) because of dry, hot, weather, insect infestation, and excess rainfall at harvest. Wool production, (64,000 tons) showed a slight increase over the last clip (October-September), but exports in 1979 were off 21 percent to 70,000 tons due to slack demand and lower stock levels. Use of domestic fibers was down as lower tariffs and an over-valued exchange rate favored imports of clothing and synthetic fibers.

Cotton production in 1980 is expected to recover from last season's weather-damaged crop, but will still be below the 1978 record. Unless trade policies are changed, there is little chance for increased domestic sales and it is doubtful whether exports will expand much beyond the 1979 level of 63,000 tons. Wool producers face more promising prospects in 1980 since the Government removed the 5-percent export duty on greasy and pulled wools and lifted the ban on raw and pickled sheep hides. However, an unfavorable exchange rate could prevent a substantial increase in wool exports in 1980.

A 14-percent increase in fruit production in 1979 was not translated into exports, which were down by 10-percent to 448,000 tons. Production increases were largely generated from grapes (3.4 million tons) which recovered from 1978's weather-damaged crop. However, since table grapes accounted for a minor percentage of exports, production changes have little impact on total fresh fruit. Apple production (972,000 tons) also registered a 20-percent increase, but high domestic prices and lower import quotas in principal apple markets (Brazil and the EC) reduced exports. Unfavorable weather affected the 1979 citrus crop (1.3 million tons), resulting in reduced export availabilities.

Frost damage in November 1979 slightly reduced the 1980 apple crop, estimated at 950,000 tons, as well as other deciduous fruits. Citrus production is expected to recover to 1.4 million tons if weather is normal. Total fresh fruit production for 1980 is estimated to be 6.2 million tons with export availabilities at 500,000 tons—about the same as in 1979. A 10-percent export rebate was established to help fruit producers overcome high production costs.

For the second year, Argentina's sugarcane production was under Government control in order to comply with the export quota set by the International Sugar Agreement (ISA). As a result of the low quota, sugar production (1.4 million tons) remained below levels of the mid-1970's. Domestic sugar consumption increased in 1979 because of a shift from wine to soft drinks as wine

prices rose sharply. Sugar exports in 1979 (254,000 tons) fell short of the ISA quota of 367,000 tons due to unfavorable export prices. The United States was the largest market for Argentine sugar in 1979 (39 percent), followed by Chile (19 percent), Indonesia (7 percent), Egypt (7 percent), and Uruguay (6 percent). The 1980 production goal established by the Government is the same as last year's 1.3 million tons, but actual output could reach 1.6 million under the favorable price situation. (*Myles J. Mieke*)

Bolivia

Bolivia's economy moved further toward a crisis in 1979. Real GDP growth was estimated at 2 percent, down from 3.6 and 3.3 percent in 1977 and 1978. Inflation rose sharply from the 1978 rate of 18 percent to 40 percent in 1979 to restrict consumer purchasing power. Overvalued currency appeared a factor in limited exports and soaring imports that helped increase the current accounts deficit nearly 40 percent to \$537 million. The external debt was increased by heavy short-term borrowing by the Central Bank which kept year-end international reserves at their 1978 level.

The deteriorating economic situation was interrelated with growing political instability. There were three changes of government, frequent threats of coup, and constant changes in the cabinet during 1979. Strikes, road blocks and other protests contributed to lower production of tin, Bolivia's principal export and impeded the flow of goods within the country. Because the changing Governments lacked strong political backing, they were reluctant to correct the growing economic imbalances until a crisis appeared imminent.

On November 30, 1979, an austerity program was announced, consisting of a 25-percent peso devaluation, price increases for petroleum products, removal of retail controls on all but a few food staples (bread, flour, pasta, rice and sugar), a sliding scale of income supplements to offset increases in cost of living, a freeze on rents and an increase in the reserve requirements on foreign currency deposits. At the same time, the austerity program was announced the Government obtained external financial assistance in the form of a 1-year standby agreement with the International Monetary Fund as well as additional lending to Bolivia by the World Bank, the Inter-American Development Bank, and the Andean Reserve Fund.

Preliminary data suggest that Bolivia's agricultural production declined 4 percent from the relatively good 1978 outturn and was slightly below trend. Given Bolivia's population growth, this implied a per capita decline close to 7 percent,

and the index of 99 was the lowest since 1972. The principal factors behind the fall in production were heavy rains, pests, and low price expectations.

Corn production declined sharply in 1979 to around 300,000 tons. Low 1978 prices and an apparent surplus carryover led some farmers to plant less. Then, heavy rains in January and February 1979 damaged much of the crop that had been planted. Because low production was not supplemented by imports, a tight food and feed supply situation developed.

Wheat and rice yields were hurt by early 1979 rains. With no compensating area expansion, wheat production (50,000 tons) fell by 17 percent and rice production (60,000 tons) dropped 32 percent. Bolivia's practice of supplementing wheat production with large imports continued but because of high carry in stocks, smaller amounts of wheat were imported—199,000 tons in 1979 compared with 325,000 tons in 1978 and 259,000 in 1977. The shortfall in rice production resulted in rice imports (20,000 tons) for the first time since 1966.

Bolivia continued to face difficulties in beef production. Low prices for beef sold in Bolivia compared with prices cattle producers received from contraband exports of live animals to Brazil, continued to limit the supply of animals for slaughter. Also, the rains in January and February 1979 resulted in livestock losses in the Santa Cruz area. In mid-1979, the Government raised producer prices, but not high enough to make a discernible difference in production. Low production and social and political unrest combined to create frequent beef shortages and high prices in major population centers. Other livestock production (pork and lamb) continued to be relatively small in comparison to beef. The sector which appeared to benefit from the beef shortages was poultry. Production of 14 million birds in 1979 was almost double the level of 1977.

Three of Bolivia's cash crops—sugar, soybeans, and coffee—were successful in 1979. Sugarcane output of 2.6 million tons was only slightly lower than in 1978 and the amount of centrifugal sugar extracted (287,000 tons) was actually slightly greater. Soybean production increased 100 percent to 36,000 tons. The increase was based on a 20-percent expansion of area (because of producers' price expectations) and much higher yields, despite the rains in early 1979. The 5-percent increase in coffee production (8,178 tons) was based on a previous increase in plantings. A fourth cash crop, cotton, declined 18 percent in output to 19,000 tons because of heavy insect damage.

Bolivia's agricultural trade is not very large relative to total trade, although sugar exports and wheat imports are significant components. Sugar

exports rose 33 percent, to 104,000 tons in 1979. The United States bought 49,000 tons; Argentina and Chile purchased the remainder. The higher exports in 1979 included an additional International Sugar Agreement allotment of 25,000 tons granted during the year when Bolivian inventories had appeared high. Other exports included a small amount of soybean meal (mostly to Chile), cotton (mostly to China), and coffee. Soybean meal was the only commodity which enjoyed an export subsidy.

Bolivia's 1979 wheat imports came from Argentina (105,000 tons), the United States (92,000 tons), and the European Community (2,000 tons). Nearly 90 percent of the U.S. exports were made available under the PL 480 Titles I and III programs in which the proceeds Bolivia earned from the resale were directed into specific agricultural development projects for the primary benefit of small farmers. Other agricultural imports in 1979 included 11,000 tons of soybean oil from Argentina and Brazil and 20,000 tons of rice from Pakistan.

The continued climate of instability and the fact that the Gueiler Administration is an interim Government (in office until August 1980) make it difficult to predict how the economic plans made in November 1979 will be implemented and how they will affect Bolivia's economic performance. Even being optimistic, recovery is likely to take more than a year. An improvement in the balance of trade can probably be expected on the basis of larger exports of natural gas at higher prices, increases in other exports, a decline in imports due to the already-effected peso devaluation, and the promised restraint in public sector spending. The 1980 price of tin, however, is still questionable and will depend in part on the possible market repercussions of tin sales from the U.S. stockpile.

The planting season of most agricultural commodities occurred in the months preceding the November 1979 announcement of the austerity program. Therefore, most changes that result from the program will not affect the 1980 harvest. The weather through February 1980 was reasonably favorable and so most crop production should make at least modest gains. Higher 1979 corn prices encouraged larger plantings, so production should recover to 330,000 tons. What producers perceived to be low rice prices in 1979 will probably result in lower rice production and a second year of imports. Success with soybeans and Bolivia's continued deficit position with respect to fats and oils encouraged producers to expand soybean area. Production could therefore jump another 40 percent to 50,000 tons in 1980. If so, soybean oil imports will likely decline somewhat. Sugar output is expected to remain strong because of an increase in the area planted, despite the shorter growing

season caused by a 6-week delay in harvesting the 1979 cane. Cotton plantings, and in turn production, appear to be down sharply. Livestock production will probably remain about the same, given the sector's problems in the past several years and the long lead time between producer's decisions to increase production and the time of slaughter. (*Lisa J. Shapiro*)

Brazil

Brazil's 1979 GNP growth rate of 6.4 percent was well below that of the "miracle" years of 1968-74 which averaged 10-percent, but was satisfactory to a Government faced with problems of an overheated economy and large petroleum imports. Currently estimated GNP of \$184 billion gave a 1979 per capita income of \$1,544. Industry was the leading sector, with a growth rate of 6.9 percent while agriculture, suffering from a second successive drought year, grew at only 5 percent.

Brazil's economic problems became acute in 1979. Inflation accelerated from 40 percent in 1978 to 77 percent in 1979. Debt service payments—amortization plus interest of over \$10 billion—on a \$50-billion debt and a petroleum import bill of \$6.2 billion intensified balance-of-payments problems. Although exports increased 20 percent to \$15.2 billion, imports—inflated by high petroleum prices—rose 32 percent to \$17 billion and left a trade deficit of \$2.7 billion. Large inflows of capital have made it necessary to drawdown only \$2 billion from the \$12 billion in foreign exchange reserves as of December 1978.

Brazil hopes to solve these problems by increasing exports in 1980 to \$20 billion. In December 1979, the Government took drastic steps to reorient the economy, notably toward exports, and among other measures devalued the cruzero 30 percent. Maximum emphasis is given to increasing agricultural production as a way to cut inflation and to increase exports.

Total agricultural production was up 5 percent: crops advanced 5 percent, livestock 4.6 percent, and total food 4.2 percent. Farmers responded to generous policy incentives by increasing areas in grains and oilseeds, but adverse weather reduced yields. Weather damage to major grains in 1979 was so great that Brazil had to import large quantities of corn and rice in addition to wheat—always a deficit crop. Fortunately, tropical products are produced in areas less affected by drought, and production records of coffee, cocoa, and sugarcane were the bright spots of the year.

Corn production in 1979 was up 18 percent to 16.5 million tons in spite of a second successive drought year. With 1.5 million tons of imports, utilization increased 7 percent to 17.6 million tons. While Brazil's irrigated rice was unaffected by the

dry weather, rainfed upland rice suffered from the drought and total rice production fell to 7.5 million tons of paddy. Even though planted area increased in 1979, rains and flooding held the wheat harvest to 2.9 million tons up only slightly from the previous year. Production of dry beans, a very important food item, dropped to 2.3 million tons.

The 1979 soybean area was larger but drought reduced yields so that output stayed at the previous year level of 10.2 million tons. Production of cottonseed and peanuts increased in 1979 by 8 and 35 percent, respectively, to 913,000 and 460,000 tons.

Coffee production, the largest since the frost of 1975, was up 10 percent to 22.7 million bags in 1979. A frost on June 1, 1979, however, struck the newly planted areas in presumably frost-free Minas Geris, reducing the 1980 forecast to 22.5 million bags. Between 1975-1978, Brazil undertook a coffee tree planting program at a cost of \$1 billion to restore, by 1980, the coffee production capacity of the 1960's. The 1979 frost postponed for at least another year the achievement of the desired level of 26 million bags. The 1979 cocoa harvest reached an all time record of 314,000 tons. The outlook is for even larger harvests as the cocoa improvement program resulted in 161,000 hectares being planted with high yielding seedlings.

Sugarcane production in 1979 was 136 million tons; 81.5 million went into sugar and the remainder into 2.4 billion liters of alcohol for the gasohol program. The emphasis on gasohol will increase the use of sugarcane for alcohol production. The Sugar and Alcohol Institute has authorized sugar refineries to increase alcohol production in 1980 to 3.8 billion liters. The PROALCOOL program has also approved 11 manioc distilleries as a supplement to sugar cane in producing alcohol.

Two other important crops, cotton and tobacco, made notable production gains in 1979. Cotton production increased 12 percent to 539,000 tons in CY 1979 as widespread use of IAC-17 seed improved yields 20-30 percent. Tobacco production was up 21 percent to 399,000 tons. Production of bananas and oranges was close to the 1978 level of 4.5 million and 785,000 tons, respectively.

The livestock sector would have been static in 1979 except for the remarkable advance in poultry production—up 20 percent from 950,000 to 1.087 million tons—which surpassed lagging pork production at 850,000 tons. The rapid rise in beef prices—44 percent in 1978 and about 30 percent in 1979—shifted consumer demand toward pork and poultry. Cattle slaughter declined as herds were built up and beef production fell 4.4 percent to 2.2 million tons. Production forecasts for pork and poultry in 1980 are 1 million and 1.2 million tons, respectively. Milk production leveled off at 10.6 million tons in 1979.

The production outlook for 1980 is for a year of plenty after 2 years of drought. Reports from Brazil indicate that harvests of soybeans, corn, and rice will be the largest in Brazilian history. An estimated soybean harvest of around 15.2 million tons will provide a crush of about 13 million tons; and exports of 1.5 million tons of beans, 7.5 million tons of meal, and 1 million tons of soybean oil is expected. Coffee and cotton production will be about the same as in 1979.

A developing resource for increased agricultural production in 1980 is land made available by the clearing of forests in the frontier states of Mato Grosso and Rondonia. New lands planted to soybeans in Mato Grosso doubled between 1970 and 1980. Credit is being offered at the rate of \$560 per hectare for planting wheat in the *campo cerrado* in 1980.

Agricultural exports earned \$7 billion in 1979, led by tropical products. Coffee earnings of \$2.3 billion were about the same as the previous year. The composition of coffee exports showed a drop in volume of green coffee to about 10 million bags, but a 20 percent increase in soluble products. Coffee was followed by cocoa and cocoa products—up 25 percent to a record \$934 million. Value of sugar exports (\$364 million) was up only slightly, because prices continued at a low level. Orange juice exports were worth \$296 million, down from \$333 million in 1978.

Brazilian policy favored exports of soybean products (soybean meal and soybean oil) rather than soybeans in order to utilize the excess capacity of the crushing industry. Total value of all three was up 8 percent to \$1.64 billion, but the net was down because Brazil had to import 200,000 tons of beans and 72,000 tons of oil to meet commitments and consumer needs. Export volumes of soybeans, soybean oil, and soybean meal were 638,000, 525,000, and 5 million tons, respectively.

Exports of corn and rice practically disappeared because supply was insufficient to meet domestic need; also, the volume of cotton exports (308 tons) was the lowest since 1929. The major change among livestock product exports was a 73-percent jump in poultry meat exports to 81,000 tons as Brazil developed markets in the Persian Gulf. The value of beef exports (\$275 million), and hides and skins (\$165 million) however, were higher than poultry (\$81 million).

Brazil's payment for agricultural imports reached \$1.56 billion, largely because 2 years of drought and exhausted stocks led to larger imports. The principal food imports were wheat, corn, rice, and beef. Wheat imports (3.9 million tons) cost the most at \$585 million. Brazil had to import 1.5 million tons of corn and 700,000 tons of rice with values of \$240 million and \$230 million,

respectively. Live cattle imports in 1979 were 50,000 head, and beef imports, 110,000 tons. Fruit and horticultural products, valued at \$231 million, made up most of the remainder of the bill.

U.S. exports to Brazil were about the same in 1979 as in 1978. Total value of \$536 million in U.S. agricultural exports to Brazil in 1979 was a shade higher than the \$534 million in 1978. U.S. wheat exports were down to 1.5 million tons from the record 2.8 million in 1978 largely because of Canadian competition, but increased corn and soybean oil exports made up much of the difference with tonnages of 1.5 million and 72,000, respectively. U.S. tallow exports again became competitive and reentered the Brazilian market with 8,000 tons.

U.S. agricultural imports from Brazil in 1979, totaled \$1.5 billion. The value of coffee imports was down 28 percent to \$597 million, and volume declined 23 percent to 139,000 tons reflecting increasing consumer resistance to higher prices. The outlook for U.S. exports in 1980 is mixed. The large 1980 Brazilian harvests of corn and rice will likely eliminate the need for significant imports of these grains for the remainder of 1980. Brazil's wheat deficit in 1980 is up to 4.4 million tons because of the disappointing wheat harvest of November 1979. The United States may be unable to share in the increased demand for wheat because of a Canadian agreement to supply 2 million tons, but the United States will at least hold on to its 1979 level of 1.5 million tons. (Samuel O. Ruff)

Chile

Chile's economy grew approximately 7.5 percent in 1979 and thus continued the trend of recovery from the economic depression of the 1971-76 period. Leading sectors were industry, agriculture, and construction which grew 9, 11, and 16 percent, respectively.

The external position of the economy also improved in 1979. An estimated 35-percent reduction in the trade deficit to \$450 million and a large inflow of foreign capital contributed to a 78-percent increase in yearend international reserves to \$1.9 billion and a balance-of-payments surplus projected at \$930 million, 50 percent above the 1978 level. Exports were particularly strong and more than compensated for an 80-percent jump in costs of petroleum, Chile's largest import. The strong export performance was based on higher earnings, particularly for copper and molybdenum, and the continued strong growth of the "non-traditional" exports, especially of molybdenum derivatives, lumber, and fresh and processed agricultural products.

A rise in inflation from 30 percent in 1978 to 39 percent in 1979 (December-December) was the most

pressing negative economic development of the year, as it represented a reversal of inflation's 4-year downward trend. Other weaknesses included persistent high unemployment (officially 13 percent in Santiago) and a still low, although improved, level of gross national savings (9 percent of GDP in 1979).

The agricultural sector continued to be subject to the Government's program of reducing state intervention in the marketplace. In 1979, this meant the termination of price supports for wheat and rapeseed, leaving sugar beets as the only agricultural commodity enjoying price support protection, the yearend closing of ODENA, the state agency responsible for completing the agrarian reform process begun in 1967, and the transfer of responsibility for the allocation of credit to the private sector. Over the past 3 years, the Government's free market economic policy meant increased competition both among domestic crops and between domestic crops and imports.

The commodity composition of Chilean agricultural production appears to have continued to change in 1979. Wheat, although still utilizing more than a third of all crop land, was grown on 3.3 percent less land than in 1978; the 1979 wheat area of 560,000 hectares was the second smallest since 1961. Similarly, land devoted to sugar beets was down 25 percent to only 16,000 hectares, continuing a 3-year steeply declining trend. In contrast, two groups of commodities with good export potential, pulses and deciduous fruits, experienced substantial increases in area. The area in pulses (196,000 hectares) was 13 percent higher than in 1978. Deciduous fruit plantings in 1979 occurred on 1,500 hectares, representing a 3-percent increase over 1978.

Agricultural production in 1979 represented a recovery from the low 1978 level. It was also the second largest outturn of the 1970's and was above the long term production trend. The strong performance was due both to yield-improving factors—reasonably favorable weather and a 10-percent increase in fertilizer use—and to a recovery in area planted. The latter was in response to the end of the 1978 drought as well as improved price expectations.

Record yields of corn, oats, and rice helped push 1979 grain production to 1.9 million tons, up 31 percent from 1979. Area also increased 3 percent. Sunflowerseed production, although still only 33,000 tons in 1979, was at its highest level of the 1970's (although the crop had been larger in the 1960's), thanks to a good yield. The production of pulses, 190,000 in 1979, was 13 percent higher than in 1978. Because of larger area increases over the past several years, apple and grape production was up 11 and 37 percent over 1978, to 175,000 and 89,000 tons, respectively. Finally, strong consumer

demand and favorable prices stimulated a 14-percent production increase in poultry and livestock in 1979.

Commodities experiencing production declines included sugar beets, milk, and potatoes. Milk production, off 3 percent, was affected by the excessively dry pasture conditions in the first half of 1979, but declines in potatoes and sugar beets (each down 21 percent) were due to area decreases resulting from unfavorable price prospects.

Although still only 10 percent of total exports, sales abroad of primary and processed agricultural commodities continued to grow, both in volume and value; they were valued at \$369 million in 1979, compared with \$276 million in 1978. Fresh fruit (primarily apples and grapes) was the largest agricultural export and accounted for much of the increase; shipments were estimated at 206,000 tons, up from 193,000 in 1978 and 116,000 in 1977. The United States, buying 35 percent of the fruit, was the major importer, followed by Saudi Arabia and the European Community. Wine exports were another large gainer—the 29 million liters shipped were more than double their 1978 level. Argentina, Brazil, the United States, Venezuela, and Canada continued to be the major wine markets. Lamb and mutton, wool, lentils, and barley were important among the other agricultural commodities exported.

Chile's agricultural imports rose in value by 14 percent in 1979, to \$601 million. Apart from the 30-percent jump to 300,000 tons of sugar, products which were imported in larger quantities (butter, tea, coffee, bananas, and cotton) were a relatively small percentage of the total. Owing to the improved 1979 production, the largest imports—wheat and corn—were both down sharply (13 percent to 825,000 tons for wheat, 40 percent to 150,000 tons for corn). Thus, most of the increase in the import bill was due to higher prices. The United States was the principal supplier providing 70 percent of the wheat, over half the soybean oil, and 38 percent of the corn. Argentina supplied the rest of the corn and wheat, as well as some barley, sugar, and beef. As in previous years, Chile depended on imports to meet a substantial proportion of its domestic agricultural requirements.

The outlook for the economy in 1980 is good if the Government can control inflation. In late 1979, it planned to do so by maintaining a fixed peso/dollar exchange rate and a balanced budget. The Government's 1979 commitment to improve the functioning of Chile's capital market, combined with lessened Government intervention in other parts of the economy, should continue to help the economy improve in 1980. The 1980 trade outlook is excellent: copper prices are likely to remain high, other exports are expected to grow, and some of the

sources for the 1979 growth in imports should disappear in 1980.

With favorable weather in the first quarter of 1980 and the economy on the upswing, short-term prospects for agriculture are good. Preliminary planting data suggest lower corn, rice, and barley production, which could result in a 5-percent decline in total grain output. The commodity groups with bright export prospects—pulses and deciduous fruits—are expected to maintain their upward trend. Oilseed output, led by the continued expansion of sunflowerseed, could be 10 percent higher. In livestock, continued strong consumer demand for beef, poultry, and pork will translate into additional production.

Agricultural trade is likely to increase in 1980 as producers continue to expand their markets for fruits, pulses, and other products, and as grain imports rise. Given the good production outlook for wheat, a strong stock position, and slow growth in demand, wheat imports should remain at the 1979 level. Corn imports are projected to double to 300,000 tons in order to meet the shortfall in supplies for the pork and poultry sectors. The tight supplies and high prices for Argentine corn and wheat are expected to shift more of the Chilean grain market to the United States. (*Lisa J. Shapiro*)

Colombia

The Colombian economy grew 5.4 percent in 1979, down from 8 percent in 1978. Industry had the highest growth rate (7.5 percent), followed by commerce (7 percent), and agriculture (6 percent). Construction dropped off after its strong showing in 1978. The continued growth of the economy can be attributed to several factors. Trade liberalization measures adopted since 1978 (including dropping some investment restrictions and lowering tariff barriers) have led to an increase in foreign investment. Investment passed the \$1-billion mark in 1979, compared with \$633 million in 1977. Despite lower coffee prices, a record volume of exports allowed earnings to grow slightly to \$2.1 billion, about one-half of total exports of \$4.1 billion. Non-traditional exports, buoyed by tax credits and Government subsidies, rose 29 percent to \$1.2 billion.

The principal short term constraint on the economy was inflation. Despite a restrictive monetary policy—including limits on credit, tight controls on revenue from coffee exports, and slow monetary expansion—inflation continued to rise and reached 29 percent in 1979. The rise was exacerbated by the development of a parallel economy (narcotics, marijuana and un-registered coffee), steep rises in foreign exchange reserves (\$4 billion at yearend 1979), and large wage increases. Higher prices for

energy (gasoline prices rose by 120 percent) were a particular problem.

Despite heavy rains and two major earthquakes in November-December, Colombian agricultural production was up for the third consecutive year. Crop production increased 7 percent and livestock 3 percent. The index of per capita food production was up from the 1978 level of 110 to 114 in 1979. Value added to GDP by agriculture was 23 percent, down from 29 percent at the beginning of the decade.

Production of the export sector in 1979 was substantially higher than in 1978. Coffee production was up 14-percent to 762,000 tons due to higher yields. Government policy at present is to discourage further increases in coffee production as Brazilian exports are expected to return to normal levels in 1980. Cotton production increased to 116,000 tons in 1979, from the depressed level of 81,000 tons in 1978. The increase was the result of a return to normal weather, improved pest control, and a larger area planted. Sugar (1.086 million tons) and cocoa (34,000 tons) improved significantly—due to improved weather and new plantings. Tobacco output (44,000 tons) dropped—primarily because of competition from other crops.

Production of rice, the principal grain, was estimated up 12 percent to 1.9 million tons of paddy based upon a further area expansion. Area increases appeared major factors in moderate gains for other 1979 grain crops including (tons): wheat, 38,000; corn, 870,000; barley, 122,000; and oats, 5,000. Production of the traditional domestic food crops including cassava, plantains, and non-centrifugal sugar were up slightly, but the bean and potato crop suffered damage from heavy rains late in the year. Production of these crops continued to be hindered by lack of access to fertilizer, inadequate credit, and inefficient marketing and distribution systems. The low productivity of this sector was an important factor in the 32 percent rise in domestic food prices in 1979.

The Colombian cattle industry suffered a severe setback in March 1979 as Venezuela closed the Colombian-Venezuelan border to cattle imports to protect its domestic suppliers. Colombian producers, expecting an exportable meat surplus of 15,000 to 20,000 tons in 1980 are now looking for new markets. Prospects include the European Community and the Soviet Union. Milk production rose only about 1 percent in 1979 as production costs (feed, drugs, land) increased rapidly. Although the official price of milk was raised in August, the increase was too low to stimulate increased production.

Agricultural exports were largely responsible for Colombia's overall trade surplus of \$1.5 billion in 1979. Coffee exports were way up sharply to a

record 663,000 tons. Non-coffee exports—primarily bananas (\$62 million), cut flowers (\$52 million), and sugar (\$29 million)—were up in value 64 percent over 1978 to \$191 million. Increased agricultural imports were required in 1979 because of insufficient local production of food grains. Sorghum (48,000 tons) and corn (73,000) were imported for the first time in several years. Wheat imports (476,000 tons), for calendar year 1979, were up sharply as the Government marketing agency (IDEMA) built large stocks in December 1979, fearing price increases in 1980. Barley imports were down slightly at 72,000 tons. The Government authorized soybean imports of 35,000 tons to fill a temporary deficit in the supply of oilseeds and vegetable oils.

Prospects for the agricultural sector in 1980 are good. Higher world prices for cotton and sugar, two of Colombia's major cash crops, should spur production upward. Higher support prices for the grain and feed sector and lower duties on imports of agricultural inputs such as tractors, planters, harvesting equipment, milling machines, and fertilizers will provide incentives to producers. Nevertheless, to meet domestic requirements, in 1980, Colombia will continue to import large quantities of wheat as well as lesser quantities of corn, barley, sorghum, and vegetable oils. (*Paul J. Trapido*)

Ecuador

In 1979, Ecuador's GDP grew by 5 percent, the lowest rate since the start of the petroleum boom in 1973. The economy was affected by uncertainty about the future economic policy of the new civilian Government. Continued drought, which hindered agricultural production for the third straight year, was another factor contributing to the economic slowdown. Nevertheless, Ecuador had a balance-of-payments surplus of \$30 million in 1979, and foreign exchange reserves increased to \$631 million, equivalent to 4 months of imports.

A major factor which stimulated economic growth and contributed to the trade surplus was the large increase in Ecuador's oil revenues, up 70 percent to over \$1 billion due to higher prices. In 1979, oil revenues made up 52 percent of total exports and contributed 10 percent to GDP. The money supply in Ecuador grew faster in 1979 than in 1978, as did the volume of Central Bank credit, although there was a scarcity of credit in the second half of 1979. The rate of inflation in 1979 is estimated to have been 11 percent. The external public debt rose from an estimated \$2.6 billion at the end of 1978 to about \$3.5 billion a year later.

Agricultural production—19 percent of GDP in 1979—was up only slightly due to continued drought conditions in much of the country. The index of 1979 agricultural production was 145, com-

pared with 142 in 1978 and 143 in 1976, when the drought began. Per capita food consumption probably dropped during 1976-79 as production and imports did not keep pace with population growth.

Grains, of all agricultural commodities, were most severely affected by poor weather. Hard corn production dropped 27 percent to 136,000 tons, and necessitated the use of wheat bran for feed in some areas. Barley output (32,000 tons) was down slightly while consumption requirements increased as a new brewery was opened in Guayaquil. Rice, despite a poor winter harvest, showed a slight overall increase to 202,000 tons. As in past years, sorghum production was minimal (2,000 tons).

Weather was less of a factor in the production of export and cash crops. Sugarcane production (393,000 tons) was up 11 percent due to the greater area harvested. Cocoa production (83,000 tons) was 7 percent higher as disease control and crop management improved. The coffee crop (86,000 tons) suffered from insect damage and dropped by 6 percent. Banana production (2.39 million tons) was up 4 percent, while cotton output (10,419 tons) did not change. Cocoa and banana production are expected to increase in 1980 as extensive efforts are being made to renovate the tree stock and expand the area planted.

Oilseed production continued to expand and reached almost 100,000 tons in 1979. Production of the major edible oilseeds—soybeans (26,000 tons) and african palm (55,000 tons)—was up 24 percent and 10 percent, respectively. Cottonseed, castor bean, and peanut production each stayed at about the same level. The higher level of oilseed production allowed Ecuador to lower soybean imports by almost a third in 1979.

Livestock and dairy production fell about 2 percent in 1979. The drought encroached on pasture areas and feed was in short supply. National production was not sufficient to meet local demand and there were clandestine movements of cattle into the country across the northern border. Milk production was also down slightly.

The value of Ecuador's agricultural exports was \$866 million in 1979, an increase of 10 percent over 1978. The value of banana exports was up 5 percent to \$180 million. Revenues from the export of cocoa (\$270 million) and coffee (\$320 million) products continued to rise in 1979, and were up 12 percent and 5 percent, respectively. Other significant exports included abaca, barley, castor beans, cotton, oats, pyrethrum, rice, tea, tobacco, and wheat. Food imports rose to record levels due to the continued drought. The largest import item by volume was wheat (270,000 tons), up 5 percent over 1978. Other grain imports were: rice (50,000 tons), up 25 percent; barley (38,000 tons), up over 50 percent; and oats (30,000 tons). Ecuador also imported 31,300 tons of edible vegetable oils in

1979, practically all of which was soybean oil.

The outlook for the Ecuadorean economy in 1980 is uncertain. In late 1979, the new Government was confronted by strident demands from urban residents for higher wages and lower prices, especially for food. As a consequence, effective January 1, 1980, the minimum wage was doubled, an action expected to double the rate of inflation to 20 percent. At the same time, prices were also frozen for 1 year, wages for 3 years, and the work week was reduced from 44 hours to 40. These measures are likely to raise the cost of food production in the labor-intensive agricultural sector and encourage increased rural-urban migration.

Agricultural production is expected to increase in 1980 unless rainfall continues low. However, because of low carryover stocks, food import requirements will likely rise in 1980—particularly for wheat, rice, corn and vegetable oils. (*Paul J. Trapido*)

Guyana

Economic conditions in Guyana continued to deteriorate in 1979. The 3.7-percent decline in real GDP reported for 1979 marked the fourth consecutive year without any measurable real growth. The current value of GDP, however, increased nearly 4 percent during 1979, as the prices of most goods and services continued to rise.

The economic problems caused by accelerating inflation, a growing trade deficit, and continuing labor problems were compounded by a chronic spare parts shortage and the return of adverse weather in 1979. As the year closed, consumer prices were up more than 20 percent; the excess of imports over exports was approximately \$75 million (an increase of nearly \$50 million); and bank reserves had declined by the equivalent of \$50 million from the previous year. Export earnings could have improved with increases in mineral and agricultural production, but two strikes in the bauxite mines, alone, reduced 1979 export earnings by an estimated \$15 million.

Early in 1979, it appeared that there would be gains in agricultural output for the third consecutive year. However, a series of adversities reduced harvests of the principal export crops (sugar and rice), and total 1979 output declined by around 10 percent from the previous year. Sugar production totaled 302,000 tons in 1979, a decrease of about 8 percent from 1978. Rice production decreased about 25-percent from the 185,000 tons (milled) for 1978 because of heavy rains.

Planned increases of 10 to 15 percent in 1980 sugar output will require ideal conditions throughout the entire growing and harvesting seasons since cane areas suitable for harvesting remain

essentially unchanged. Fall plantings for the 1980 spring rice crop are reported to be slightly above 1979 levels, but adverse weather and other problems could once again reduce first crop yields and second crop plantings. Another round of wage and price increases in 1980 is not expected to increase agricultural production because continued trade restrictions will result in shortages of inputs.

Bauxite production, the primary source of income for the Guyanese economy, did not show any pronounced changes in 1979. Of the three primary ores produced, calcined bauxite remained unchanged just below 580,000 tons; alumina production dropped 40 percent to 139,000 tons; production of other dried bauxite ores rose 9 percent to 1.1 million tons. Increased wages and other benefits were given bauxite workers in 1979, hoping to increase productivity but additional investments are needed to expand output appreciably.

Guyana's balance-of-trade problems intensified in 1979 as the value of imports increased more than 20 percent over 1978. Total exports of all goods and services barely exceeded \$305 million in 1979. Sugar exports were valued at \$89 million, rice at \$32 million, and bauxite at \$128 million.

The 268,000 tons of sugar exported in 1979 represented a 9-percent decrease over the previous years. Rice exports (85,000 tons) were down 20 percent from the previous year although carryover stocks were depleted to boost export earnings in 1979.

Stringent controls of nonessential imports continued in 1979. Guyanese imports which surpassed \$380 million in 1979, contributed significantly to the growing trade deficit. Part of the increase was caused by rising oil prices but imports of agricultural commodities also increased, and continued to account for 20 to 25 percent of total import trade in 1979.

U.S. agricultural exports to Guyana increased nearly \$5 million in 1979 and continued to account for approximately half of all Guyanese agricultural imports. U.S. exporters remained the primary suppliers of wheat (55,000 tons, including wheat equivalent of flour) imported by Guyana in 1979. Other important agricultural commodities included edible oils, fruits and vegetables, soybean products, and animal feeds. Guyana's demand for U.S. agricultural products is expected to remain strong through 1980.

World markets for Guyanese sugar, rice, and bauxite are likewise expected to remain strong through 1980. World consumption is increasing, inventories are declining, prices are rising, and all of Guyana's major trading partners, except Jamaica, appear to have the necessary financial resources to purchase Guyana's products. Prospects

for increasing agricultural exports by more than 5 to 10 percent in 1980 appears tenuous at best.

The economic outlook for 1980 and for at least the next 5 years appears grim. Production and exports must be increased substantially within the next 5 years if Guyana's chronic balance-of-trade deficits are to be overcome. Anticipated price increases by world petroleum producers during the 1980's will essentially make it impossible for the Government to reduce the total cost of imports without a total collapse of the economy. Guyana does not have any known oil supplies and it is currently attempting to expand the productive capacity of all sectors, including agriculture, to meet its import needs, but it now appears that it will be 1982 or 1983 before any of the new facilities will have much effect on alleviating the growing import demand. Consequently, Guyana's economic fortunes will continue to be primarily dependent on increased exports and favorable world prices for sugar, rice, and bauxite. Guyana appears to be a country that desperately needs concessional sales of several basic commodities, including foods, machinery, and petroleum products in the early 1980's. (*Richard N. Brown, Jr.*)

Paraguay

Economic activity remained strong in 1979, in spite of a small decline in the agricultural sector due mainly to reduced livestock production. Construction of the Itaipu hydroelectric project continued to stimulate the economy. However, the large capital inflows generated by the project are considered a major cause of Paraguay's inflation, which came to about 30 percent in 1979, the highest since 1956. International reserves grew to over \$600 million, compared with \$450 million in 1978, due largely to the hydroelectric project. The negative trade balance widened to \$175 million as import value increased by 29 percent and exports rose by 19 percent. Major import increases were recorded for petroleum products, metals, construction materials including heavy equipment, chemicals, cigarettes, and alcoholic beverages. Exports were led by oilseeds, primarily soybeans and oilseed meal. The 1980 outlook for the economy is essentially the same as it was in 1979. Inflation is not expected to decline as construction continues on the Itaipu dam and because investments will increase for the joint Argentine-Paraguayan Yacyreta hydroelectric complex. Import needs will continue to increase as work progresses on the hydroelectric projects, but exports should also expand in 1980 due to a substantial improvement in the agricultural sector.

More favorable weather and a price support program for wheat helped boost grain production 17 percent in 1979 to 536,000 tons. Wheat area

increased 40 percent to 45,000 hectares, but production still remains low due to unfavorable climatic conditions for wheat cultivation. Corn and rice output recovered to 1977 levels as area and yields increased. The 1979 oilseed crop increased 19 percent to 666,000 tons due largely to a 54-percent jump in soybeans from a drought-reduced 1978 crop, and in spite of a drop in cottonseed production. Dry spring weather resulted in soybean yields of a little over 1 ton per hectare compared with a more normal 1.45 tons, but increased plantings offset the low yield resulting in a 430,000 ton crop. Cotton production also suffered from adverse weather during cultivation; although the area increased by 14 percent, lint production was down 20 percent from 1978 to 72,000 tons in 1979. Tobacco production continued to decline as the international demand for dark cured tobacco, primarily in France, was reduced. Tobacco farmers seeking alternative income sources have been switching to soybeans and cotton. Large shipments of live cattle to Brazil during 1978 and 1979 led to domestic shortages of beef and high prices. The high prices induced producers to begin rebuilding herds in 1979 and, as a consequence, beef production fell by 29 percent.

Agricultural exports, which accounted for 82 percent of the total exports in 1979, increased to \$250 million, 14 percent above 1978 but the same as the record level of 1977. The largest increase occurred in soybean exports, estimated at over 340,000 tons compared with over 200,000 in 1978. The precise amount exported is not known because of unregistered exports through Brazil and Argentina. Other significant export gains were registered for oilseed meal and tung oil. All other major categories showed declines including beef, cattle hides, cotton, and tobacco. Major soybean markets were the Netherlands, West Germany, Switzerland, and Brazil. Cotton fiber exports, which totalled 77,000 tons in 1979, were sold mainly to Western Europe, Uruguay, Argentina, the United States, and Japan. Beef exports dropped to 4,700 tons, the lowest level in 25 years, compared with 16,700 in 1978. Western Europe and the United States remained the principal buyers of Paraguayan beef, primarily in the form of corned beef.

Wheat is the only agricultural product purchased on a large scale. Registered wheat imports in 1979 were 65,000 tons, all of which came from Argentina. If non-registered imports are included, total wheat imports would be closer to 100,000 tons.

Much improved weather conditions are expected to result in substantial increases in oilseed production for 1980. The soybean crop is estimated at 750,000 tons, a 74-percent increase over 1979. Area planted is up 15 percent as farmers responded

to favorable prices, and yields are likely to be at or above normal. Cotton yields are also forecast to rebound to more normal levels of around 1 ton per hectare, but reduced plantings may keep cottonseed and cotton fiber outturn below last year's levels; cotton producers reduced sowings because of limited credit, poor seed germination, and difficulties in hiring labor at harvest time. Beef production in 1980 will also be down as the full impact of the retention phase of the cattle cycle is felt. No significant changes are expected in the other agricultural commodities. (*Myles J. Mielke*)

Peru

Peru's economy made significant strides in 1979 in easing some of the economic problems of the mid-1970's. A much improved export performance, based on quantity and price rises in both traditional and new exports, was a significant factor behind the 3.5-percent increase in real GDP. Combined with a greater net inflow of long-term capital, the balance-of-payments position jumped from \$76 million for 1978 to \$1.6 billion for 1979. The stronger external position led the Government to open the highly protected economy to more imports. New commodities, including some agricultural ones, were added to the list of eligible imports which simplified the tariff structure and eliminated the 180-day credit requirement for imports.

The domestic economy remained troubled, however. Inflation at 67 percent (December 1979 over December 1978) continued to be a major problem. Despite Government-decreed wage and salary increases, real wages were little more than half of what they had been in 1973. Both unemployment and underemployment remained high.

Agriculture continued to be an important sector in the Peruvian economy. Although it contributed only around 13 percent to GDP, it continued to employ over 40 percent of the labor force. It also continued to earn foreign exchange; agricultural export earnings were up a third to \$420 million in 1979 and the agricultural balance of trade showed a larger surplus (\$120 million in 1979 compared to \$70 million in 1978).

Total agricultural production remained depressed in 1979, increasing only slightly over 1978. Food production decreased 2 percent to the lowest level of the 1970s. Many adverse factors present in earlier years continued to affect production in 1979. These included: low levels of investment in agriculture and infrastructure; an inefficient marketing and distribution system; Government-controlled prices which in some cases (e.g. beef) acted as disincentives to producers; and, a combination of rapidly rising production costs and depressed consumer demand as disposable incomes deteriorated.

The principal cause of low 1979 production for most commodities, however, was the second year of drought. Dry weather contributed to producers' decisions to reduce potato area, and production is estimated to have declined 9 percent to 1.4 million tons. It also hurt the yields of the two largest grain crops, corn and rice, and thus slowed their production increases. A third effect of the drought was a decrease in pasture production. With less pasture available, beef production declined.

Total grain production was 1.4 million tons in 1979, up 6 percent from 1978, which was the lowest since 1968. Substantial increases in area planted with corn and rice, almost to the pre-drought hectareage of the mid-seventies, compensated the declines in yield and permitted production increases. Corn production (600,000 tons) was up 9 percent; rice (440,000 tons, paddy basis) rose 4 percent. Wheat output, although still sharply below pre-1978 levels, also rose 6 percent to 95,000 tons, due to an 11 percent increase in yield. Greater use of improved seed varieties was a factor in the yield increase. Sorghum output also expanded 13 percent, to 90,000 tons; the increase continued an upward production trend begun in the early 1970's in response to rising demand for feed. Barley production (175,000 tons) remained unchanged.

Traditional export crops are cotton, coffee, and sugar. Cotton and coffee were the bright spots in agricultural production in 1979. Cotton's 15-percent increase in output to 90,000 tons was based on a 20-percent expansion in area. Factors behind the expansion included a change in the Government's price policy (which sharply raised producer prices) and an improvement in the marketing system for cotton (which permitted speedier payments to producers). Coffee's increase of 18 percent (to 76,000 tons) was based on new trees coming into production, normal rainfall in coffee-growing regions, and increased fertilizer use.

The third export crop, sugar, suffered serious difficulties in 1979. Although drought did not affect the area harvested in 1979, it lowered yields. Consequently, cane production was off 12 percent to 7 million tons. Lower production, plus serious economic difficulties faced by the industry, subsequently led to an even sharper decrease in the production of centrifugal sugar (down 19 percent to 715,000 tons) and a very tight supply situation. Both exports and domestic consumption were depressed as a result.

Beef production declined 2 percent to 81,000 tons, but lamb held steady at 33,000 tons and pork increased 6 percent to 55,000 tons. Poultry production, responding to a fall-off in consumer demand, fell from 88,000 tons to 81,000 tons. Both sharply higher retail prices, based on higher costs for imported feed grains and the availability of

lower priced fish as a substitute for poultry accounted for the decrease in demand.

In 1979, Peru again had disappointments with its fishing industry. The hopes for revitalization were dashed by the disappointing catch in the second half of the year. On the basis of fish catch projections made early in 1979, fishmeal and fish oil exports were increased substantially. The larger exports, and a smaller than anticipated catch in the second-half of 1979, resulted in a tight supply by year's end. In consequence, in December 1979 the state fishing agency was forced to import 11,000 tons of fish oil.

Agricultural imports rose in 1979 (\$245 million in 1978 to \$300 million in 1979) as the Government attempted to meet some of the production shortfalls in basic foodstuffs. Wheat imports increased from 724,000 tons in 1978 to 825,000 in 1979. Valued at \$141 million, wheat imports accounted for nearly half the total agricultural import bill. For the first time since 1976, rice was imported—a step which permitted per capita consumption to rise 6 percent above the low 1978 level; the 150,000 tons bought cost nearly \$50 million.

Agricultural exports were valued at \$420 million in 1979, of which \$247 million (59 percent) were to the United States. Coffee earnings of \$245 million made this commodity the principal agricultural export for the fourth consecutive year. Although raw cotton was the second most important agricultural export (valued at \$53 million), cotton in its processed form such as yarn and cloth (and hence not considered an agricultural export) became an important foreign exchange earner, generating sales nearly three times as large as raw cotton. Sugar exports (\$37 million), once Peru's leading source of foreign exchange, declined 21 percent by value (32 percent by volume, to 181,000 tons), as a result of a fall off in production and processing difficulties.

The United States bought 80 percent of Peru's coffee, 83 percent of the sugar, and small quantities of cotton products. The major markets for raw cotton were Western Europe and Japan.

The short-term outlook for the economy is cautiously optimistic. The Government reduced income taxes in early 1980 and will continue cost-of-living salary increases in an effort to bolster consumer purchasing power. Peruvian exports are expected to increase, both in unit value and quantity. Because of relaxed import restrictions, a flexible exchange rate policy, and probably some gain in consumer purchasing power, imports are also likely to rise. The trade balance, however, should remain positive. On the negative side, continued high inflation could impede future economic growth. As of early 1980, the Government's strategy to restrain inflation to around 40 percent

included limiting public sector spending, holding down domestic bank credit, encouraging imports, and limiting the amount of currency in circulation.

Inadequate rainfall in 1979 and the first quarter of 1980 suggests another year of very low agricultural production in 1980. Nearly all crops—and particularly sugarcane and rice—are expected to suffer. Of the principal crops, only cotton is expected to do well; 1980 cotton area is estimated to have increased 8 percent and the commodity has enjoyed greater access to irrigation water. Coffee, grown on the eastern side of the Andes, has not been affected by the drought; however, extended heavy rains have dimmed the prospects for expansion in 1980, and production is now expected to be at the 1979 level. Cattle inventories and beef production are expected to continue their downward trend because of the drought, unattractive producer prices, and unsatisfactory marketing and distribution systems. Other livestock and poultry production are expected to show some increase because of stronger consumer demand.

Unit price increases of cotton, coffee, and sugar will likely maintain Peru's 1980 agricultural exports at about the 1979 value, although the total quantity exported is expected to decline. Increased cotton production and higher carry-in stocks may boost cotton exports 60 percent to 32,000 tons. However, lower coffee stocks will probably mean a 14 percent drop to 60,000 tons in coffee exports. The production and processing difficulties will likely force a sharp decline in sugar exports. In fact, Peru is expected to import some sugar, for the first time ever, in order to meet domestic requirements.

Agricultural imports are certain to increase because of liberalized import regulations, rising demand, and production shortfalls. If the 1979 level of per capita wheat consumption is maintained, 860,000 tons of wheat will be needed and rice imports are expected to reach a record-high 260,000 tons. Corn imports will more than double to 300,000 tons. Potatoes, sugar, vegetable oil, and small quantities of beef and offals are the other major commodities which will be imported in 1980. (*Lisa J. Shapiro*)

Uruguay

In 1979, the Government's policy to return to a freer market economy showed positive results. Economic growth was estimated at 8 percent compared with the 1978 GDP rate of 2.3 percent and was the highest rate since the 1960's. Investment activity picked up in both industry and agriculture, but economic growth was not uniform for all sectors. Agriculture was plagued by poor weather and the cattle

cycle was in a retention phase. As a result, agricultural output declined by about 9 percent with the livestock sector registering the steepest decline.

The return to a more open economy and the lifting of price controls were partly responsible for increasing inflation which approached 80 percent in 1979 compared with 46 percent in 1978. Other causes for the highest inflation rate since 1975 were sharply higher prices for imported petroleum, on which Uruguay is totally dependent, and a shortage of domestically produced goods to meet the growing demand of a buoyant economy. A major anti-inflation measure was accelerated during 1979 that called for the gradual reduction of import duties designed to absorb excess pesos and to eventually make Uruguayan producers more competitive. This, in turn, led to a larger than expected trade deficit as imports of intermediate goods, vehicles, and machinery increased adding to higher petroleum import costs. A schedule of pre-announced daily devaluations was initiated in 1979 to further combat inflationary expectations and to discourage excessive speculation.

Prospects for continuing economic expansion during 1980 appear favorable. The Government is not expected to reverse its general economic policies even in the face of strong inflationary pressures. Anti-inflation measures could be intensified but the Government remains committed to an open economy which in the longer run is hoped to reduce prices, lower unemployment, and boost foreign trade. Increased capital goods imports should continue to stimulate industrial production in 1980 and much improved weather conditions have favored the agricultural sector. In the short run, foreign reserves are considered sufficient to finance a growing trade deficit but long term prospects are not as favorable unless exports pick up. Agricultural exports, which represent 70 percent of total trade, are expected to increase along with the farm sector's recovery.

Total grain production in 1979 declined for the fourth consecutive year due to poor weather conditions in the coarse grain area. Drought severely reduced the coarse grain crop to 215,000 tons, the lowest since the 1960's. Corn output was off 50 percent to 70,000 tons and grain sorghum dropped to 30,000 tons or an 84-percent decrease. Wheat plantings increased 56 percent in response to a favorable support price, and improved weather returned wheat yields to more normal levels after 2 years of weather-damaged crops. As a result, wheat production jumped almost 120 percent to 380,000 tons, but it was not enough to offset the losses in the coarse grain sector.

Weather conditions have improved considerably for the 1980 coarse grain crop which is estimated to increase by 150,000 tons above 1979. Corn out-

put will more than double to 160,000 tons, and sorghum will be up 170 percent to 80,000 tons. Both of these levels are still below average harvests during the last half of the 1970's. Prospects for further increases in wheat plantings in 1980 are favorable because of attractive prices offered by the Government. If weather remains normal, the wheat crop should produce about 400,000 tons, up 5 percent over 1979.

Historically a net exporter of grain, Uruguay had to import more grain in 1979 than it exported. Grain imports more than doubled to 336,000 tons, of which wheat accounted for two-thirds. Corn and sorghum imports came to 95,000 tons, compared with only 4,000 tons in 1978. Argentina supplied almost all of Uruguay's grain imports in 1979. Grain imports will be down sharply in 1980 with little or no wheat being purchased. Only minor imports of barley will be taken primarily for the brewing industry.

Oilseed production in 1979 was up 10 percent to 150,000 tons. Linseed output doubled to 60,000 tons as the crop recovered from weather damage the previous year. Increased plantings were encouraged by a change in policy which allowed flaxseed producers to sell to the export market in addition to local crushers. Soybean area continued to expand, but yields were reduced by a summer drought which also affected the sunflower crop. Total oilseed output for 1980 is forecast at 190,000 tons, a record level. Sunflower area abandoned last season due to the drought will be recovered and favorable experiences with soybeans encouraged producers to increase plantings. Weather conditions have been favorable during the growing season and should result in improved yields for both crops.

For the first time, the Government allowed linseed exports in 1979. Seed exports were registered at 2,530 tons and linseed oil exports at 7,900 tons. Imports of vegetable oils totaled almost 6,000 tons, most of which came from Argentina. Oilseed meal and pellet exports came to 34,000 tons, down from 53,000 tons in 1978. Production increases are expected to boost oilseed exports in 1980 and eliminate vegetable oil imports. Oilseed meal exports are forecast at 71,000 tons and oil exports at 21,000 tons. Most oilseed product exports are destined for European and Latin American markets.

Livestock production was down in 1979 primarily due to a 24-percent drop in beef production. Cattle slaughter, at 1.3 million head, fell to its lowest rate since 1973 as producers built up herds. Heavy slaughter during the past few years and higher prices encouraged ranchers to rebuild herds. High prices also dampened domestic and export demand. Per capita beef consumption declined 22 percent to 67 kilos, and beef exports were off 31

percent to 77,000 tons, the smallest volume since 1967. Major export markets were Brazil (54 percent), Spain (8 percent), Greece (6 percent), and Ghana (3 percent). Consumption of most other red meats did not increase to substitute for reduced beef supplies. However, poultry meat production increased almost threefold, helping to offset lower beef consumption and meeting a growing export demand. Poultry production was up 26,000 tons and broiler meat exports jumped 300 percent to 3,000 tons. Continued high cattle prices in 1980 are likely to keep beef consumption from significantly expanding, but more cattle marketings are expected as farmers begin culling rebuilt herds. Increases in beef supplies are expected to be absorbed more by exports which are forecast at 105,000 tons, or 36 percent above 1979. Higher beef prices in Brazil will likely keep it the primary export market for Uruguayan beef.

Fiber production has remained fairly stable during the past few years at 61,000 to 63,000 tons, almost all of which was wool. Uruguay imports about 98 percent of its cotton requirements. Wool exports, on the other hand, increased to 39,000 tons during the 1978/79 clip year (October-September) compared with 32,000 tons the previous season. Major wool markets are the USSR, the United Kingdom, and Italy. The current clip year (1979/80) is expected to yield 67,000 tons, for a 6-percent increase. Exports may not expand much beyond last season, however, since stock levels were down 60 percent at the beginning of the year (October 1979).

Dry weather during the summer and fall of 1979, plus earlier decision to remove subsidies for sugar and to eliminate price supports, caused a further decline in sugar production during 1979/80 (May-April). Plantings were reduced for the third year with the sugarcane area decreasing more than the sugarbeet area. As a result of reduced production (80,300 tons), sugar imports were doubled to 35,000 tons in 1979 to meet domestic demand of around 122,000 tons. The outlook for the 1980/81 season is for a 46-percent increase in sugar production (104,000 tons) as both weather and prices are expected to improve. Fruit production (excluding grapes) increased 12 percent to 142,000 tons. Deciduous fruit exports were down to 2,500 tons, but 1979 citrus fruit exports remained at the 1978 level of about 29,000 tons. The major citrus fruit markets were Poland (52 percent) and the Netherlands (38 percent). Fruit production for 1980 is forecast at 179,000 tons as growers are expected to respond to an expanding export market and are being encouraged by Government policies to increase the non-traditional export trade. (*Myles J. Mielke*)

Venezuela

In 1979, growth of the Venezuelan economy slowed to 4 percent, the lowest rate in several years. By early 1979, it was evident that the Fifth Development Plan (1976-80), based on the expansion of heavy industry (aluminum, iron, steel, power, and coal) was straining the financial capacity of the Nation. Foreign debt had increased rapidly from \$4.6 billion in 1977 to \$7.7 billion by mid-1979. A considerable portion of this debt was financed through short term loans and required an extensive debt service. By 1978, the current account deficit was \$5.3 billion. Severe inflationary pressures were masked by widespread price controls and increasing Government subsidies for essential food items.

Beginning in March 1979, the new Government acted to alleviate some of these problems. First priority was placed on bringing public spending under control. Large scale national development projects in steel, power and transportation were re-examined. Restrictions were placed on new Government borrowing and local credit availability was tightened. A target was set for reducing the level of external debt. Price controls on many basic items were lifted, contributing to the record 18-percent rate of inflation. Import duties were subsequently lowered by 30 to 50 percent on many consumer goods to exert downward pressure on prices. These measures are expected to set the stage for a planned GDP growth averaging about 6-percent per year in the 1980's.

Due to favorable weather, greater use of fertilizers, and improved seeds, agricultural production was up in 1979 for the third consecutive year. The production index reached 197 compared with 189 in 1978. Total crop output increased by 5 percent while livestock production was 4 percent higher. Per capita food availability rose by 2 percent. Agriculture continued to contribute about 6 percent to GDP in 1979.

Production of the major grains achieved new records in 1979. Improved returns, relative to corn, encouraged a further expansion of sorghum; production was up 54-percent from the 1978 record to 554,000 tons. Weather improved corn yields, and production rose 13 percent to 912,000 tons. Rice output of 555,000 tons was only 1 percent above 1978, but exceeded the average of the 1970's by about 70 percent. The sharp rise in rice production, particularly in the last 3 years, resulted from increased credit, high support prices, and use of modern inputs. In 1979, Venezuela was able to export 65,000 tons of rice to the Caribbean Islands and to Ecuador.

Production of traditional cash crops yielded mixed results in 1979. Coffee (61,000 tons) and

cocoa (17,000 tons) output dropped because of the high cost and frequent unavailability of agricultural laborers, many of whom have migrated to the cities during the past decade. Tobacco production increased 53 percent to 23,000 tons due to much improved weather. Sugar (325,000 tons) production remained about the 1978 level. Cotton output (14,000 tons) dropped 43 percent, but is expected to increase in 1980 because of a 50-percent increase in the Government support price and higher world prices.

Pork production grew by 13 percent in 1979. Beef production was up only slightly despite the Government's decision to end cattle imports from Colombia in an effort to stimulate production by local ranchers. Milk output showed only a small increase because of labor shortages, a lack of good dairy cows, and the increasing price of beef which led dairy producers to shift into beef cattle raising.

To satisfy strong and rising consumer demand, Venezuela continued to import substantial quantities of agricultural products in 1979, in spite of record grain harvests of recent years. Imports, valued at \$1.2 billion, provided an estimated 40 percent of domestic food requirements. Major imports in tons were: wheat (778,000), grain sorghum (598,000), corn (322,000), soybeans (28,000), soybean meal (206,000), vegetable oils (197,000), sugar (340,000), beans (42,000), beef (17,000), pork (8,000), poultry meat (23,000), cheese (3,000), and whole dry milk (37,000). Imports of most items were up—especially soybean meal (52 percent), sorghum (18 percent), and wheat (9 percent). Reduced imports were registered in meat and powdered milk.

The United States supplied over one-third of Venezuela's food imports in 1979. The total value of U.S. farm products to Venezuela was \$484 million, up 27 percent over 1978. Major U.S. exports to Venezuela were: wheat (\$125 million), sorghum (\$55 million), soybean meal and cake (\$72 million), edible oils (\$48 million), fruit and preparations (\$14 million), poultry (\$23 million), pork (\$1.4 million). Other principal suppliers of agricultural goods were South Africa (corn), Argentina (edible oils, sorghum, and corn), and Brazil (sugar).

The outlook for Venezuelan agriculture in 1980 is encouraging. The new Government is giving the sector's development a high priority and will allocate an unprecedented \$4.3 billion to increase agricultural production over the next 5 years. In 1980, agricultural policy will include higher support prices and subsidies to stimulate production. To prevent steep rises in consumer prices, there will also be food price stabilization schemes and plans to import larger quantities of food products. Special attention will be given to increasing feed grain production to meet the rapidly rising growth in the beef, pork and poultry feed demand. However, because of the steady growth of per capita incomes (over \$3,000 a year in 1979), a high birth rate, and both legal and illegal immigration from Colombia and the Caribbean, the demand for food continues to surpass domestic production. Consequently, in 1980, Venezuela will undoubtedly import increasing quantities of bulk commodities such as wheat, feed grains, vegetable oils, and oilseeds as well as large quantities of processed food products and specialty foods, meats, and dairy products. (*Paul J. Trapido*)

Table 1.--Western Hemisphere: Population, gross domestic product, and gold and foreign exchange holdings, by country, 1978-79 ^{1/}

Country	Population			Gross domestic product			Gold and foreign exchange holdings ^{2/}		
	1978	1979	Change	1977 ^{3/}	1978 ^{4/}	1979 ^{4/}	1978	1979	Change
	----- Thousands -----	----- Percent -----		Mil. dol. -----	----- Percent -----		----- Mil. dol. -----	----- Percent -----	
Canada	23,770	24,090	1.4	199,720	3.0	2.8	3,560	2,864	-19.6
Mexico	66,915	69,315	3.6	73,523	7.0	8.0	1,842	2,033	4.6
Barbados	231	231	0.0	443	4.3	7.0	60	67	11.7
Cuba	9,750	9,890	1.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dominican Republic	5,160	5,280	2.3	3,403	2.3	5.3	154	239	55.2
Haiti	5,380	5,490	2.0	1,147	5.3	1.8	39	55	41.0
Jamaica	2,100	2,120	1.0	2,158	-1.7	-2.0	59	69	17.0
Trinidad and Tobago	1,095	1,100	0.5	3,522	6.1	5.4	1,805	2,138	18.4
Other Caribbean	1,719	1,745	1.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Caribbean	25,435	25,856	1.7	11,610	3.7	3.6	^{6/} 2,117	2,564	21.1
Costa Rica	2,090	2,130	1.9	3,072	6.1	4.9	194	119	-38.7
El Salvador	4,520	4,650	2.9	2,422	4.4	0.0	268	140	-47.8
Guatemala	6,615	6,795	2.7	4,757	5.2	4.5	742	696	-6.2
Honduras	3,540	3,650	3.1	1,314	7.9	6.7	184	209	13.6
Nicaragua	2,390	2,450	2.5	2,238	-7.9	-25.0	51	^{5/} 85	66.7
Panama	1,810	1,860	2.8	1,832	2.7	3.5	150	119	-20.7
Other Central America	149	153	2.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Central America	21,114	21,688	2.7	15,635	3.3	0.2	1,589	1,368	-13.9
Argentina	26,370	26,700	1.2	23,077	-3.2	7.8	4,967	10,000	101.3
Bolivia	6,110	6,270	2.6	3,442	3.3	2.1	170	178	4.9
Brazil	115,240	118,410	2.8	158,788	6.3	6.5	11,826	8,966	-24.2
Chile	11,150	11,350	1.8	14,087	6.0	7.5	1,090	1,938	77.8
Colombia	25,760	26,320	2.1	19,275	8.5	5.4	2,366	3,844	62.5
Ecuador	7,330	7,530	2.7	5,491	5.3	5.0	669	767	14.6
Guyana	840	859	2.3	437	-1.0	-3.7	58	^{5/} 15	-74.1
Paraguay	2,870	2,950	2.8	1,779	10.3	10.0	449	582	29.6
Peru	16,900	17,380	2.8	11,517	-1.8	2.8	390	1,520	289.7
Surinam	444	454	2.2	675	n.a.	n.a.	128	164	28.1
Uruguay	2,800	2,810	0.4	6,569	2.3	8.0	287	381	3.3
Venezuela	13,900	14,320	3.0	35,776	4.8	4.0	6,035	7,284	20.7
Other South America	60	62	3.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South America	229,774	235,415	2.5	280,913	5.1	5.6	28,435	35,023	23.2
Latin America	343,238	352,274	2.6	381,681	5.4	5.8	^{6/} 33,983	40,882	20.3
Western Hemisphere	367,008	376,364	2.6	581,401	4.6	4.8	^{6/} 37,543	43,746	16.5

n.a. = not available.

^{1/} Regional totals include only those countries for which data are shown, ending December unless otherwise noted.

^{2/} Total of gold, foreign exchange holdings, and reserve position in the International Monetary Fund.

^{3/} Value at current market prices converted to U.S. dollars, using the average end-of-quarter free or principal import rates of exchange.

^{4/} Estimates of real growth.

^{5/} Position at end of November.

^{6/} Excludes Cuba.

Sources: International Monetary Fund; U.S. Agency for International Development; other U.S. Government agencies.

Table 2 --Western Hemisphere: Indices of total and per capita agricultural and food production by countries and regions, 1977-79 ^{1/}

(1961-65 = 100)

Country	Total						Per Capita					
	Agricultural			Food			Agricultural			Food		
	1977	1978	1979	1977	1978	1979	1977	1978	1979	1977	1978	1979
Canada	142	145	138	143	147	138	114	116	108	115	117	108
Mexico	152	159	159	166	176	175	94	95	91	102	104	101
Dominican Republic	139	150	146	143	148	150	95	100	95	98	98	97
Haiti	105	95	109	115	107	110	80	71	80	89	81	82
Jamaica	82	84	83	82	84	83	67	68	66	67	68	66
Trinidad and Tobago	89	81	81	90	82	83	71	64	64	72	65	66
Caribbean	118	122	122	121	123	124	88	90	88	91	90	89
Costa Rica	182	189	189	200	205	206	123	126	123	135	136	134
El Salvador	144	163	155	170	192	193	90	99	92	107	117	115
Guatemala	183	194	193	200	205	205	123	127	123	135	134	130
Honduras	149	166	180	140	154	167	92	100	105	87	92	97
Nicaragua	157	163	107	158	177	142	106	107	69	107	116	91
Panama	150	163	163	151	164	164	101	106	104	102	107	104
Central America	163	175	167	171	183	181	107	112	104	112	117	113
Argentina	136	151	152	139	156	158	113	124	123	115	128	128
Bolivia	146	158	152	141	152	147	100	105	99	96	101	96
Brazil	170	166	172	193	187	192	116	110	111	132	124	124
Chile	142	127	142	145	129	145	107	94	103	110	96	106
Colombia	146	162	171	153	172	179	101	110	114	106	117	119
Ecuador	139	142	145	135	138	142	93	92	93	90	91	90
Guyana	106	115	105	106	115	105	77	82	74	77	82	74
Paraguay	183	178	172	164	156	157	125	118	111	112	103	101
Peru	101	97	99	116	106	103	67	63	62	77	68	65
Uruguay	93	97	90	100	105	94	87	91	84	94	99	87
Venezuela	178	189	197	188	194	204	114	117	119	121	120	123
South America	151	155	160	162	166	170	106	107	107	114	114	114
Latin America ^{2/}	151	156	159	162	167	170	104	104	103	111	112	111
Latin America ^{3/}	152	157	160	163	168	171	104	105	104	112	112	111

^{1/} Revised data for 1977 and 1978; preliminary for 1979.

^{2/} Production for 22 countries shown.

^{3/} Excludes Guyana, Jamaica, and Trinidad and Tobago.

Source: Economics, Statistics, and Cooperatives Service, Indices of Agricultural Production of the Western Hemisphere, Stat. Bull. No. 569.

Table 3.--Western Hemisphere: Fertilizer consumption in nutrient equivalent, annual 1975-77.

Country	N			P ₂ O ₅			K ₂ O			Total		
	1975	1976	1977	1975	1976	1977	1975	1976	1977	1975	1976	1977
Canada.....	556	599	650	503	512	580	242	254	269	1,301	1,365	1,499
Mexico.....	732	830	794	277	236	218	64	54	56	1,073	1,120	1,068
Barbados.....	1	2	1	1/	1	1	3	2	1	4	5	3
Cuba.....	156	187	223	59	52	55	115	116	140	330	355	418
Dominican Republic.....	30	35	38	23	21	16	20	19	19	73	75	73
Jamaica.....	6	7	4	4	1	4	8	6	6	18	14	14
Trinidad/Tobago.....	4	5	3	1/	1/	1/	2	3	1	6	7	6
Other Caribbean.....	12	12	14	9	11	12	12	9	11	33	32	37
Caribbean.....	209	248	283	95	66	88	160	155	178	464	469	549
Belize.....	1	1/	1	1	1	1	--	--	--	2	1	2
Costa Rica.....	31	28	29	15	10	12	20	17	21	66	55	62
El Salvador.....	65	77	77	20	16	22	9	9	10	94	102	109
Guatemala.....	35	50	61	15	27	27	5	18	25	55	102	113
Honduras.....	11	11	15	4	9	6	5	5	7	20	25	28
Nicaragua.....	16	23	36	2	14	15	1/	11	12	18	48	63
Panama.....	13	11	9	5	4	6	7	8	8	25	23	23
Central America.....	172	200	228	62	81	89	46	68	83	280	349	400
Argentina.....	28	39	42	28	35	31	5	4	4	41	78	77
Bolivia.....	2	1	2	2	2	2	1/	1/	1/	4	3	4
Brazil.....	388	481	689	994	1,282	1,534	511	698	927	1,893	2,461	3,150
Chile.....	39	48	40	56	59	55	8	13	10	103	120	105
Colombia.....	111	143	155	65	69	75	39	35	51	215	247	231
Ecuador.....	14	50	58	13	13	23	6	19	23	33	82	104
Guyana.....	8	8	6	4	2	2	1	1	1	13	11	9
Paraguay.....	1/	1/	1/	1	1/	1	1/	1/	1/	1	1	1
Peru.....	84	100	107	11	17	18	9	12	14	104	129	139
Surinam.....	2	6	4	1/	1/	1/	1/	1/	1/	2	6	4
Uruguay.....	11	18	18	32	52	42	4	4	3	47	74	63
Venezuela.....	65	74	148	42	47	54	34	40	39	141	161	241
South America.....	752	969	1,269	1,248	1,579	1,837	617	826	1,072	2,617	3,374	4,178
Latin America.....	1,865	2,247	2,574	1,682	1,961	2,232	887	1,103	1,389	4,434	5,311	6,195

1/ Less than 500 tons

Source: Food and Agriculture Organization, Annual Fertilizer Review, 1978

Table 4--Area and production of selected agricultural products by principal Western Hemisphere countries or regions, annual 1977-79 1/

Commodity by Country	Area 2/			Production		
	1977	1978	1979	1977	1978	1979
	1,000 hectares			1,000 tons		
Wheat:						
Canada	10,118	10,579	10,505	19,862	21,145	17,745
Mexico	775	760	630	2,300	2,350	2,200
Central America	61	63	65	60	50	37
Argentina	3,910	4,685	4,564	5,700	8,100	7,800
Brazil	2,800	2,794	3,831	2,066	2,691	2,872
Chile	628	580	560	1,219	893	995
Uruguay	297	192	300	173	174	380
Other South America	294	274	269	268	260	258
Total Latin America	8,792	9,348	10,219	11,786	14,518	14,542
Rice, rough:						
Mexico	170	125	180	538	412	480
Cuba	152	152	115	460	500	460
Other Caribbean	163	179	164	409	436	444
Panama	105	115	99	186	200	162
Other Central America	143	160	136	332	415	392
Brazil	5,400	5,200	5,400	8,000	7,491	7,600
Colombia	325	406	424	1,400	1,700	1,846
Guyana	136	115	85	354	304	233
Peru	125	100	115	547	424	440
Uruguay	57	58	69	228	231	262
Other South America	525	544	559	1,528	1,518	1,586
Total Latin America	7,301	7,154	7,346	13,982	13,631	13,905
Corn:						
Canada	724	783	890	4,197	4,033	4,963
Mexico	7,910	8,000	7,600	9,700	10,200	9,400
Caribbean	258	309	317	366	333	340
Guatemala	675	591	622	821	944	980
Honduras	352	329	350	332	346	368
Other Central America	580	609	552	735	905	981
Argentina	2,532	2,660	2,800	8,300	9,700	9,000
Brazil	11,800	10,700	11,300	18,800	13,900	16,310
Chile	116	94	130	355	257	489
Colombia	531	671	615	737	861	870
Peru	390	300	360	720	550	600
Venezuela	496	506	552	774	804	912
Other South America	798	834	747	1,025	1,036	918
Total Latin America	27,162	26,386	26,835	46,862	43,869	46,131
Grain Sorghum:						
Mexico	1,000	1,100	1,000	2,800	3,200	2,300
Caribbean	176	177	177	206	217	212
Central America	305	320	330	324	390	409
Argentina	2,377	2,254	2,044	6,600	7,200	6,500
Colombia	155	225	215	325	517	172
Uruguay	95	89	39	162	184	54
Other South America	358	342	401	788	768	882
Total Latin America	4,466	4,507	4,206	11,205	12,476	10,829
Beans, dry:						
Canada	65	60	60	85	74	74
Mexico	1,895	1,630	1,400	800	970	700
Caribbean	121	124	124	88	25	25
Central America	399	389	393	190	246	254
Brazil	4,546	4,600	4,880	2,307	2,395	2,280
Chile	97	112	110	112	112	116
Peru	51	52	52	38	40	40
Venezuela	80	82	80	34	42	41
Other South America	406	448	489	369	377	438
Total Latin America	7,595	7,437	8,128	3,938	4,207	3,894

See footnotes at end of table.

Table 4--Area and production of selected agricultural products by principle Western Hemisphere countries or regions, annual 1977-79 1/--Continued

Commodity by Country	Area ^{2/}			Production		
	1977	1978	1979	1977	1978	1979
	1,000 hectares			1,000 tons		
Sweet Potatoes and Yams:						
Mexico	7	9	9	91	97	97
Caribbean	100	105	105	639	651	646
Central America	--	--	--	1	1	1
Argentina	36	34	34	330	320	322
Brazil	158	164	164	2,200	2,200	2,225
Paraguay	15	15	15	119	117	124
Peru	16	16	15	165	165	160
Other South America	41	43	45	225	246	251
Total Latin America	373	386	387	3,760	3,797	3,826
Potatoes:						
Canada	113	112	112	2,488	2,496	2,705
Mexico	52	58	58	837	604	849
Caribbean	15	15	15	198	204	201
Central America	11	11	11	94	95	91
Argentina	111	115	110	1,769	1,593	1,694
Bolivia	126	130	130	679	793	800
Brazil	194	199	210	1,896	2,000	2,100
Chile	86	91	81	928	981	770
Colombia	130	142	151	1,609	1,996	1,966
Peru	250	252	225	1,600	1,560	1,400
Other South America	80	81	84	778	828	886
Total Latin America	1055	1,904	1,075	10,388	10,654	10,757
Cotton:						
Mexico	389	350	385	372	333	331
Caribbean	3	3	3	5	5	5
Guatemala	124	126	130	141	164	155
Nicaragua	218	173	38	123	109	17
Other Central America	127	123	111	120	103	93
Argentina	518	618	620	160	230	170
Brazil	1,990	1,965	1,975	576	480	539
Colombia	398	176	219	139	81	116
Peru	113	108	130	58	76	90
Other South America	319	390	424	119	137	111
Total Latin America	4,199	4,032	4,035	1,813	1,718	1,627
Peanuts:						
Mexico	43	43	38	50	55	45
Caribbean	75	76	76	60	60	60
Argentina	367	428	393	600	370	670
Brazil	230	253	275	324	340	450
Other South America	74	96	99	59	64	76
Total Latin America	789	896	881	1,093	889	1,301
Soybeans:						
Canada	202	285	283	527	515	580
Mexico	305	215	380	470	330	680
Argentina	660	1,250	1,620	1,400	2,700	3,800
Brazil	7,040	7,600	8,035	12,200	10,200	10,200
Colombia	57	71	69	103	135	137
Other South America	266	252	268	428	348	531
Total Latin America	8,328	9,388	10,372	14,601	13,713	15,348
Tobacco:						
Canada	44	49	45	104	115	86
Mexico	39	38	39	57	61	69
Cuba	60	60	60	45	46	46
Other Caribbean	32	44	34	33	48	42
Central America	15	17	16	24	25	26
Argentina	75	62	65	83	62	69
Brazil	261	256	307	310	329	399
Colombia	33	29	27	58	47	44
Other South America	53	58	58	74	60	61
Total Latin America	568	564	606	684	678	756

1/ Time reference is calendar year to include crops harvested mainly in years shown. Latin America totals are for the 23 Latin America countries including Cuba.

2/ Seeded area for Canada; harvested area for other countries insofar as possible.

3/ Preliminary.

Sources: Economics, Statistics, Service; Foreign Agricultural Service; and Agricultural Organization, Production Year Book of Agriculture.

Table 5--Western Hemisphere: Production of selected agricultural products by principal countries or regions,
1977-79 1/

Commodity by country	Production			Commodity by country	Production		
	1977	1978	1979 2/		1977	1978	1979 2/
	1,000 tons				1,000 tons		
Cassava (yuca):				Cocoa beans:			
Caribbean	630	647	622	Mexico	34	35	36
Central America	111	115	115	Dominican Republic	33	34	36
Brazil	25,929	25,300	25,000	Other Caribbean	14	14	16
Colombia	1,973	2,044	2,081	Central America	12	13	14
Paraguay	1,719	1,838	1,494	Brazil	283	314	320
Other South America	1,263	1,278	1,303	Ecuador	72	78	83
Total Latin America	31,625	31,222	30,615	Venezuela	17	17	17
Sugar, centrifugal, (raw value):				Other South America	35	38	42
Canada	165	147	125	Total Latin America	500	543	564
Mexico	2,696	3,029	3,058	Wool, shorn:			
Cuba	6,100	7,200	7,000	Canada	938	923	923
Dominican Republic	1,222	1,164	1,190	Mexico	7	8	8
Other Caribbean	793	756	845	Argentina	172	171	172
Central America	1,600	1,487	1,545	Brazil	27	30	26
Argentina	1,665	1,387	1,400	Uruguay	63	63	67
Brazil	8,863	7,758	6,950	Other South America	68	68	67
Colombia	900	-1,010	1,086	Total Latin America	337	340	340
Peru	926	881	715	Beef and Veal:			
Venezuela	414	325	325	Canada	1,143	1,060	955
Other South America	1,219	1,380	1,391	Mexico	974	1,030	1,040
Total Latin America	26,401	26,377	25,505	Cuba	140	143	143
Cottonseed:				Other Caribbean	63	67	70
Mexico	590	575	560	Central America	348	389	419
Caribbean	7	7	7	Argentina	2,914	3,193	3,060
Central America	588	586	401	Brazil	2,400	2,250	2,150
Brazil	1,024	844	950	Colombia	540	570	598
Colombia	274	147	218	Uruguay	363	354	268
Peru	102	138	150	Other South America	812	816	807
Other South America	526	693	561	Total Latin America	8,554	8,812	8,555
Total Latin America	3,111	2,990	2,847	Pork:			
Bananas:				Canada	539	619	745
Mexico	1,530	1,500	2,000	Mexico	428	440	450
Caribbean	1,242	1,294	1,279	Caribbean	108	113	113
Costa Rica	1,124	1,149	1,100	Central America	71	70	72
Honduras	1,235	1,338	1,400	Argentina	241	215	240
Panama	608	742	745	Brazil	834	824	800
Other Central America	685	685	688	Other South America	417	444	476
Brazil	4,105	4,375	4,494	Total Latin America	2,099	2,106	2,151
Ecuador 3/	2,185	2,300	2,391	Milk:			
Other South America	2,269	2,364	2,495	Canada	7,743	7,411	7,570
Total Latin America	14,983	15,747	16,592	Mexico	6,816	6,949	7,081
Coffee:				Cuba	1,080	1,080	1,080
Mexico	216	228	228	Other Caribbean	471	490	517
Cuba	26	27	27	Central America	1,421	1,465	1,391
Other Caribbean	80	90	85	Argentina	5,303	5,331	5,220
Central America	488	564	538	Brazil	9,539	10,500	10,600
Brazil	1,050	1,218	1,360	Chile	1,033	989	958
Colombia	558	666	712	Colombia	1,760	1,936	1,960
Other South America	194	240	235	Other South America	3,543	3,454	3,538
Total Latin America	2,612	3,033	3,185	Total Latin America	30,966	32,194	32,345

1/ Crops harvested mainly in year shown; cocoa beans and coffee harvests begin in years shown.

2/ Preliminary.

3/ Exportable type only.

Sources: Economics, Statistics, and Cooperatives Service; Foreign Agricultural Service; Food and Agriculture Organization, Production Yearbook of Agriculture.

Table 6.--Western Hemisphere: Agricultural exports and imports by principal countries, 1974-77.

Country	Exports ^{1/}				Imports ^{1/}			
	1974	1975	1976	1977	1974	1975	1976	1977
-----Million dollars-----								
Canada.....	3,947.3	3,938.7	4,057.1	4,010.9	2,823.5	2,785.2	3,112.0	3,280.0
Mexico.....	1,040.7	948.6	1,296.0	1,381.4	1,069.7	900.8	535.6	807.5
Barbados.....	34.6	57.2	32.4	26.5	48.3	48.7	52.2	55.8
Cuba ^{2/}	2,410.0	3,241.0	2,661.1	n.a.	645.0	760.0	761.0	n.a.
Dominican Republic.....	480.9	709.9	493.7	564.0	142.2	135.2	164.1	134.3
Haiti.....	37.1	37.3	54.0	73.7	37.9	40.1	63.1	84.6
Jamaica.....	122.0	197.5	107.1	119.8	199.4	205.9	193.9	169.6
Trinidad and Tobago.....	76.5	106.7	77.8	69.7	129.2	138.7	139.2	163.8
Caribbean ^{3/}	3,161.1	4,349.6	3,426.1	853.7	1,202.0	1,328.6	1,373.5	608.1
Costa Rica.....	315.7	360.3	423.3	599.4	84.9	68.6	68.1	85.4
El Salvador.....	300.6	352.6	521.3	747.8	58.1	73.0	69.8	89.2
Guatemala.....	400.3	449.2	561.7	895.8	55.0	66.8	47.3	60.0
Honduras.....	137.1	164.6	262.7	362.5	38.5	53.6	45.5	51.3
Nicaragua.....	275.1	275.4	371.8	479.3	45.6	42.7	45.9	52.0
Panama.....	87.5	120.1	102.4	109.1	52.4	62.0	58.8	68.0
Central America ^{3/}	1,516.3	1,722.2	2,243.2	3,193.9	334.5	366.7	335.4	405.9
Argentina.....	2,840.3	2,142.0	2,834.5	4,153.3	237.7	228.1	182.0	255.8
Brazil.....	4,861.3	4,865.8	6,100.8	7,555.3	1,107.8	1,566.5	1,135.6	926.5
Chile.....	70.3	143.2	110.1	189.7	689.5	341.1	424.2	302.7
Colombia.....	924.2	1,096.5	1,318.0	1,913.9	212.9	151.8	218.9	355.1
Ecuador.....	355.6	327.0	482.2	267.1	68.4	82.2	101.8	174.6
Guyana.....	155.3	215.7	123.7	101.8	39.1	43.3	52.8	49.0
Paraguay.....	139.3	141.9	160.2	246.7	57.5	51.4	59.0	59.0
Peru.....	307.9	436.9	347.2	368.4	251.3	424.4	280.1	290.1
Surinam.....	22.8	31.3	22.4	24.5	24.0	28.2	32.2	33.7
Venezuela.....	84.4	64.5	58.3	114.7	578.7	716.6	853.0	883.0
South America ^{3/}	9,761.4	9,464.8	11,558.4	15,237.5	3,266.9	3,633.6	3,339.6	3,259.5
Latin America.....	15,479.5	16,485.2	18,523.7	20,666.5	5,873.1	6,229.7	5,584.1	5,081.0
Western Hemisphere.....	19,426.8	20,423.9	22,580.8	24,677.4	8,696.6	9,014.9	8,696.1	8,361.0

^{1/} Exports and imports include SITC categories for food and animals, crude materials, animal vegetable oil and unmanufactured tobacco. Distilled beverages are not included in totals.

^{2/} The Cuban Economy: A Statistical Review

^{3/} For countries shown.

Sources: Food and Agriculture Organization, Trade Yearbooks and the Central Bank of Paraguay.

Table 7.--Western Hemisphere: Exports and imports of selected agricultural commodities, 1977-79.

Exports	1977	1978 1/	1979 1/	Imports	1977	1978 1/	1979 1/
	-----1,000 tons-----				-----1,000 tons-----		
Wheat (including flour in wheat equivalent)				Wheat (including flour in wheat equivalent)			
Canada.....	14,933	15,126	12,383	Canada.....	--	--	--
Mexico.....	15	15	20	Mexico.....	1,055	1,200	1,100
Central America.....	1	--	--	Cuba.....	753	1,124	1,200
Argentina.....	641	1,629	4,300	Dominican Republic.....	131	135	140
Other South America.....	57	5	4	Jamaica.....	135	104	140
Total Latin America..	5,714	1,649	7,324	Trinidad/Tobago.....	104	106	110
				Other Caribbean.....	311	287	260
				Central America.....	363	483	490
				Bolivia.....	259	325	199
				Brazil.....	2,758	4,300	3,800
				Chile.....	635	950	825
				Colombia.....	216	448	476
				Peru.....	768	724	825
				Venezuela.....	705	764	778
				Other South America....	361	491	665
				Total Latin America..	8,554	11,441	11,008
Rice, milled				Rice, milled			
Mexico.....	3	54	--	Canada.....	89	85	75
Central America.....	37	59	55	Mexico.....	1	13	80
Argentina.....	193	119	38	Cuba.....	144	171	200
Brazil.....	409	185	2/	Jamaica.....	29	43	44
Colombia.....	78	85	75	Trinidad/Tobago.....	39	27	29
Guyana.....	67	107	86	Other Caribbean.....	157	66	55
Peru.....	--	--	--	Central America.....	23	26	27
Uruguay.....	123	100	135	Chile.....	13	20	5
Other South America....	106	106	101	Other South America....	48	97	920
Total Latin America..	1,016	815	490	Total Latin America..	454	463	1,360
Corn				Corn			
Canada.....	229	289	300	Canada.....	467	757	700
Mexico.....	--	--	--	Mexico.....	630	3,000	2,500
Central America.....	--	--	--	Cuba.....	212	481	450
Argentina.....	5,474	5,985	5,965	Jamaica.....	159	198	208
Brazil.....	1,420	15	10	Trinidad/Tobago.....	67	73	88
Other South America....	2	13	7	Other Caribbean.....	131	156	148
Total Latin America..	6,896	6,013	5,982	Central America.....	200	170	112
				Chile.....	89	250	150
				Peru.....	171	150	125
				Venezuela.....	505	515	538
				Other South America....	114	104	1,636
				Total Latin America..	2,278	5,097	5,955
Sugar, raw basis				Sugar, raw basis			
Canada.....	123	150	140	Canada.....	1,126	1,101	1,100
Mexico.....	--	72	--	Central America.....	1	1	1
Cuba.....	6,238	7,231	7,269	Chile.....	216	231	300
Barbados.....	79	89	89	Uruguay.....	--	17	40
Dominican Republic....	1,101	909	1,005	Other South America....	234	423	212
Jamaica.....	216	199	162	Total Latin America..	451	672	553
Trinidad/Tobago.....	137	103	94				
Other Caribbean.....	122	116	113				
Central America.....	841	796	831				
Brazil.....	2,454	1,961	1,830				
Colombia.....	13	132	254				
Guyana.....	208	295	268				
Peru.....	420	275	187				
Other South America....	1,128	586	583				
Total Latin America..	12,957	12,764	12,685				
Coffee, green or roasted				Coffee, green or roasted			
Mexico.....	149	129	150	Canada.....	73	83	85
Dominican Republic....	40	43	26	Caribbean.....	18	16	17
Other Caribbean.....	48	49	41	Argentina.....	18	20	20
El Salvador.....	134	62	185	Other South America....	14	13	14
Guatemala.....	129	132	150	Total Latin America..	123	132	136
Other Central America..	153	185	196				
Brazil.....	544	663	615				
Colombia.....	307	542	663				
Other South America....	111	176	185				
Total Latin America..	1,615	1,981	2,211				

continued--

Table 7.--Western Hemisphere: Exports and imports of selected agricultural commodities, 1977-79.--continued

Exports	1977	1978	1979	Imports	1977	1978	1979
-----1,000 tons-----				-----1,000 tons-----			
Bananas, plaintains, fresh:				Bananas, plaintains, fresh:			
Mexico.....	10	16	16	Canada.....	231	236	235
Jamaica.....	78	77	70	Caribbean.....	7	6	6
Other Caribbean.....	455	491	484	Nicaragua.....	23	24	30
Costa Rica.....	989	1,016	1,000	Argentina.....	87	104	110
Honduras.....	777	713	750	Chile.....	39	50	52
Panama.....	547	562	560	Uruguay.....	10	5	5
Other Central America..	437	459	365	Total Latin America..	166	189	203
Brazil.....	112	133	128				
Colombia.....	455	575	641				
Ecuador.....	1,213	1,396	1,619				
Other South America....	42	32	35				
Total Latin America..	5,115	5,470	5,668				
Cocoa beans:				Cocoa beans:			
Mexico.....	8	5	4	Canada.....	11	13	13
Dominican Republic....	26	27	28	Caribbean.....	2/	2/	2/
Other Caribbean.....	3	3	3	Central America.....	1	1	1
Central America.....	7	8	8	Argentina.....	5	2	2
Brazil.....	108	134	157	Colombia.....	2	--	2
Ecuador.....	18	16	14	Other South America....	6	4	7
Other South America....	9	7	11	Total Latin America..	14	7	12
Total Latin America..	184	207	225				
Beef and veal 3/				Beef and veal 3/			
Canada.....	51	45	50	Canada.....	89	102	80
Mexico.....	45	45	6	Caribbean.....	15	19	20
Caribbean.....	3	3	3	Central America.....	--	--	--
Costa Rica.....	43	48	48	Brazil.....	--	118	115
Nicaragua.....	23	32	44	Chile.....	6	14	8
Other Central America..	47	55	64	Peru.....	5	--	--
Argentina.....	583	740	699	Total Latin America..	26	151	143
Brazil.....	99	63	48				
Paraguay.....	15	17	5				
Uruguay.....	129	112	77				
Other South America....	--	13	9				
Total Latin America..	987	128	1,003				
Cotton, raw				Cotton, raw			
Mexico.....	149	196	187	Canada.....	55	58	57
Guatemala.....	125	145	140	Caribbean.....	30	33	32
Nicaragua.....	114	130	106	Central America.....	1	2	2
Other Central America..	67	70	64	Argentina.....	--	4	8
Brazil.....	35	45	27	Chile.....	24	27	28
Peru.....	21	18	20	Uruguay.....	--	6	7
Other South America....	141	295	229	Other South America....	13	21	45
Total Latin America..	652	899	746	Total Latin America..	68	93	122
Tobacco, unmanufactured				Tobacco, unmanufactured			
Canada.....	23	33	20	Canada.....	3	6	2
Mexico.....	18	18	25	Caribbean.....	2	3	2
Cuba.....	19	21	20	Central America.....	1	1	1
Dominican Republic....	20	37	42	Chile.....	2	1	1
Central America.....	9	12	13	Uruguay.....	--	4	4
Brazil.....	101	110	126	Other South America....	4	4	4
Colombia.....	14	23	18	Total Latin America..	9	13	12
Paraguay.....	22	15	12				
Other South America....	--	--	--				
Total Latin America..	203	236	256				

1/ Preliminary

2/ Less than 500 tons

3/ Carcass weight basis: excludes fats and offals

Sources: Economics, Statistics, and Cooperatives Service, Foreign Agricultural Service; Food and Agriculture Organization, and Trade Yearbooks.

Table 8.--U.S. agricultural exports to Western Hemisphere countries and dependencies by value, 1974-1979.

Country	1974	1975	1976	1977	1978	1979 ^{1/}
-----Million dollars-----						
Canada ^{2/}	1,282.0	1,305.0	1,485.1	1,534.5	1,620.9	1,650.0
Mexico	862.6	585.7	369.9	664.4	903.0	1,023.5
Bahamas.....	45.2	45.3	44.4	47.9	56.2	60.8
Barbados.....	7.5	8.5	10.7	12.7	16.4	22.9
Bermuda.....	16.8	18.3	20.8	22.9	26.5	29.7
Dominican Republic.....	117.3	96.0	107.3	102.3	123.2	174.8
French West Indies.....	4.1	3.9	5.8	6.1	8.4	11.5
Haiti.....	27.5	38.7	31.5	49.7	37.5	46.5
Jamaica.....	83.5	73.8	75.4	81.1	77.9	77.1
Leeward and Windward Islands...	9.3	8.8	10.6	17.5	19.6	29.7
Netherlands Antilles.....	32.1	33.8	39.0	44.9	53.2	65.2
Trinidad and Tobago.....	50.0	52.3	46.4	42.7	54.9	75.1
Other Caribbean.....	--	--	4.8	5.2	5.5	1.0
Caribbean.....	393.0	379.4	396.7	433.0	479.9	599.9
Belize.....	4.3	5.7	5.8	6.4	6.9	9.0
Costa Rica.....	28.7	26.5	27.3	30.2	30.2	40.8
El Salvador.....	26.2	33.2	31.0	48.4	47.0	49.8
Guatemala.....	40.7	37.9	40.1	43.1	47.7	53.3
Honduras.....	21.0	29.5	19.5	26.0	34.5	31.7
Nicaragua.....	18.0	17.1	19.9	20.7	23.3	19.8
Panama.....	56.7	43.8	45.7	44.5	47.0	62.2
Central America.....	195.8	193.7	189.3	219.3	236.5	266.5
Argentina.....	9.6	8.7	5.7	11.3	13.6	35.6
Bolivia.....	28.0	8.3	12.5	19.5	30.6	24.3
Brazil.....	239.9	322.9	254.6	111.0	533.6	536.0
Chile.....	112.7	125.3	125.2	80.3	173.7	160.7
Colombia.....	127.3	84.9	97.3	134.8	135.0	246.8
Ecuador.....	56.7	65.8	71.2	75.1	81.5	95.0
French Guiana.....	.3	.2	.2	.3	.3	.6
Guyana.....	15.5	16.7	18.9	11.4	15.0	20.7
Paraguay.....	.8	1.2	.9	.9	1.2	1.6
Peru.....	170.1	192.8	111.3	124.5	129.6	153.5
Surinam.....	9.9	11.7	12.9	16.3	17.4	18.5
Uruguay.....	9.0	5.8	2.2	11.2	19.7	8.8
Venezuela.....	323.3	277.0	273.6	304.0	387.3	491.9
South America.....	1,113.2	1,121.3	986.5	900.7	1,538.4	1,793.9
Total Latin America.....	2,564.7	2,280.1	1,942.4	2,217.4	3,157.8	3,683.8
Total Western Hemisphere.....	3,846.7	3,585.1	3,427.5	3,751.9	4,778.7	5,333.9
Total World.....	22,026.3	21,884.1	22,996.7	23,636.2	29,384.1	34,745.4
Hemisphere as percentage of world total.....	17.5	16.4	14.9	15.9	16.0	15.0

Note: Columns may not always add because of rounding

^{1/} Preliminary

^{2/} Excludes exports transshipments, mostly grains and oilseeds to Western Europe.

Source: Bureau of the Census and Foreign Agricultural Service.

Table 9.--U.S. agricultural imports from Western Hemisphere countries and dependencies by value, 1974-79.

Country	1974	1975	1976	1977	1978	1979 ^{1/}
Million dollars						
Canada.....	527.1	491.4	600.2	672.4	742.9	948.0
Mexico.....	766.6	508.7	711.1	1,013.1	1,104.5	1,229.4
Bahamas.....	.9	.9	1.5	2.5	2.2	1.1
Barbados.....	16.1	17.9	13.8	8.8	6.0	12.0
Bermuda.....	2/	2/	2/	2/	2/	2/
Dominican Republic.....	375.6	549.3	400.3	471.9	359.6	429.0
French West Indies.....	.2	.3	.4	.7	.7	.7
Haiti.....	28.3	20.1	30.1	39.5	37.0	27.6
Jamaica.....	45.3	38.7	27.6	11.3	9.0	14.7
Leeward & Windward Islands.....	1.8	4.3	6.4	4.2	6.2	9.1
Netherlands Antilles.....	12.4	1.5	6.3	.2	4.6	2.3
Trinidad and Tobago.....	17.9	17.2	29.2	17.4	23.0	15.3
Other Caribbean.....	--	--	.3	.7	.9	.4
Caribbean.....	498.4	650.2	515.9	557.2	449.1	512.2
Belize.....	23.6	25.2	4.7	7.6	17.3	14.1
Costa Rica.....	147.1	156.8	192.8	254.7	249.7	333.5
El Salvador.....	121.1	131.8	204.6	319.5	156.6	270.1
Guatemala.....	193.1	149.3	257.9	352.4	309.6	379.0
Honduras.....	102.8	93.2	153.1	184.4	273.1	311.3
Nicaragua.....	62.8	90.0	131.3	119.9	145.8	180.2
Panama.....	38.1	68.8	48.8	71.8	72.1	84.8
Central America.....	688.5	715.2	993.3	1,310.3	1,224.3	1,573.0
Argentina.....	209.7	144.6	155.3	187.5	214.0	284.0
Bolivia.....	3.3	3.8	16.3	14.6	18.3	30.0
Brazil.....	1,030.7	772.1	965.9	1,383.5	1,536.8	1,503.3
Chile.....	15.1	18.0	21.8	26.4	34.9	46.6
Colombia.....	364.6	420.9	470.7	616.8	815.6	950.5
Ecuador.....	175.2	147.9	232.7	292.7	411.0	371.7
French Guiana.....	.1	.1	2/	2.	2/	.1
Guyana.....	43.2	44.2	13.6	5.8	7.3	11.1
Paraguay.....	20.4	15.3	16.2	17.7	46.9	156.8
Peru.....	190.8	135.6	170.0	183.5	172.1	254.1
Surinam.....	.4	.2	.1	.1	.5	.2
Uruguay.....	2.5	1.4	3.5	3.7	7.2	7.9
Venezuela.....	35.1	33.2	43.0	55.5	55.2	30.7
South America.....	2,091.1	1,737.1	2,109.1	2,787.8	3,319.8	3,647.2
Total Latin America.....	4,044.6	3,611.2	4,329.4	5,668.4	6,097.8	6,961.7
Total Western Hemisphere.....	4,571.5	4,102.6	4,929.6	6,340.8	6,840.8	7,915.7
Total World.....	10,247.3	9,310.1	10,990.4	13,438.1	14,804.1	16,725.1
Hemisphere as percentage of world total.....	44.6	44.1	44.8	47.2	46.2	48.0

Note: Columns may not always add because of rounding

^{1/} Preliminary

^{2/} Less than \$50,000

Sources: Bureau of the Census and Foreign Agricultural Service

Table 10.--U.S. agricultural exports by categories to

Country	Unmanu- factured tobacco	Hides, skins, and furskins undressed	Oilseed, oilnuts, and oilkernels	Natural fibers	Animal and vegetable fats and oils	Other	Total
-----Million dollars-----							
Canada ^{1/}							
1975.....	2.2	41.2	133.5	39.3	45.5	214.0	1,305.0
1976.....	3.6	64.3	130.0	51.9	36.6	205.9	1,485.1
1977.....	4.2	66.9	140.4	71.8	44.3	220.4	1,534.5
1978.....	4.5	132.5	292.0	67.2	73.8	341.8	1,620.9
1979.....	5.9	218.0	237.5	82.9	50.1	5.6	1,650.0
Mexico							
1975.....	2/	27.4	8.7	1.5	36.1	49.5	585.7
1976.....	2/	30.5	70.1	0.3	14.1	59.8	369.9
1977.....	2/	37.2	115.8	0.3	29.9	57.9	664.4
1978.....	2/	55.1	317.0	5.4	67.5	--	903.0
1979.....	2/	102.2	173.7	1.0	64.7	13.4	1,023.5
Caribbean							
1975.....	20.9	0.5	5.1	1.4	45.2	39.5	379.4
1976.....	20.8	0.6	8.2	0.5	41.8	44.8	396.7
1977.....	18.9	1.2	16.3	0.9	46.4	54.2	433.0
1978.....	24.2	5.2	21.6	1.0	67.2	56.6	479.0
1979.....	33.3	3.6	22.0	2/	106.5	43.7	599.9
Central America							
1975.....	1.4	0.4	2.6	2.7	24.7	19.8	193.7
1976.....	1.9	2/	1.3	1.9	29.2	23.8	189.3
1977.....	1.6	0.4	2.2	1.2	31.4	29.5	219.3
1978.....	1.9	2/	29.4	1.6	33.9	--	236.5
1979.....	1.6	0.2	43.4	1.0	50.2	--	266.5
Andes Region							
1975.....	6.4	2.1	32.4	0.4	75.7	45.9	754.1
1976.....	11.9	2.3	15.4	2.4	84.5	51.3	691.1
1977.....	16.6	3.3	18.0	3.5	139.9	80.5	739.4
1978.....	16.2	1.0	184.9	12.6	126.6	14.4	937.6
1979.....	20.4	0.3	269.5	2/	186.1	20.4	1,172.2
Other South America							
1975.....	1.1	3.9	1.4	0.1	75.7	18.2	367.1
1976.....	1.0	1.4	0.3	2/	84.5	19.4	295.4
1977.....	0.8	9.3	1.0	0.2	139.9	20.0	161.6
1978.....	1.5	3.1	29.8	--	61.5	20.0	600.8
1979.....	1.1	3.2	49.6	21.2	100.5	30.0	621.7
Latin America							
1975.....	29.5	34.3	50.2	6.1	197.9	173.0	2,280.1
1976.....	35.6	35.0	95.1	5.1	171.8	198.8	1,942.4
1977.....	37.9	51.5	152.3	6.2	253.0	242.5	2,217.4
1978.....	43.8	62.1	666.5	10.3	356.7	--	3,157.8
1979.....	56.0	108.5	684.2	23.2	508.0	13.4	3,683.8
Western Hemisphere							
1975.....	32.0	75.5	183.7	45.4	243.4	387.0	3,585.1
1976.....	39.2	99.3	225.1	57.0	208.4	404.7	3,427.5
1977.....	42.1	118.4	292.7	78.0	297.3	529.3	3,751.9
1978.....	48.3	194.6	958.5	77.5	430.5	341.8	4,778.7
1979.....	61.9	326.5	921.7	106.1	558.1	19.0	5,333.9

Note: Columns may not always add because of rounding

^{1/} Excludes transshipments^{2/} Less than \$50,000^{3/} Bolivia, Chile, Colombia, Ecuador, Peru, and Venezuela

Sources: Bureau of the Census and Foreign Agricultural Service

Canada, Mexico, and Western Hemisphere regions, 1975-1979.

Country	Live animals	Meat and preparations	Dairy products and eggs	Cereals and preparations	Fruits, vege- tables and preparations	Animal feed
-----Million dollars-----						
Canada 1/						
1975.....	39.6	93.1	16.9	147.9	458.2	73.6
1976.....	58.9	183.0	20.0	135.3	504.7	90.9
1977.....	26.6	165.3	17.6	110.4	548.6	118.0
1978.....	39.9	108.0	24.3	95.2	616.3	125.4
1979.....	29.7	67.2	29.7	124.7	656.5	142.2
Mexico						
1975.....	36.2	15.4	16.2	330.4	49.4	14.9
1976.....	36.8	18.3	16.5	96.2	17.6	9.7
1977.....	19.6	16.6	11.6	294.0	16.6	64.9
1978.....	22.0	18.3	22.5	336.4	27.0	32.6
1979.....	29.4	28.0	29.0	485.2	40.5	56.4
Caribbean						
1975.....	2.9	48.9	10.4	143.6	28.3	32.7
1976.....	2.9	55.9	13.5	132.8	34.1	40.8
1977.....	3.3	60.6	15.6	135.4	38.9	41.3
1978.....	3.3	48.6	19.8	128.4	56.3	46.8
1979.....	4.8	58.2	25.8	145.4	78.2	48.4
Central America						
1975.....	4.0	4.5	3.2	108.5	14.7	7.2
1976.....	4.6	4.2	6.0	88.2	16.5	11.7
1977.....	6.5	5.6	11.5	94.3	16.1	19.1
1978.....	4.5	5.9	9.9	106.5	23.9	21.1
1979.....	4.0	6.8	9.7	108.4	28.3	25.2
Andes Region 3/						
1975.....	5.7	3.5	5.5	533.5	30.1	12.9
1976.....	7.4	5.2	10.3	448.2	34.7	17.5
1977.....	6.6	25.2	22.4	344.4	44.1	35.8
1978.....	9.8	20.9	12.7	434.9	51.5	49.9
1979.....	7.8	11.2	13.4	521.6	70.0	20.4
Other South America						
1975.....	6.3	0.9	3.1	298.2	11.5	5.9
1976.....	6.9	0.6	2.5	244.5	8.2	8.5
1977.....	8.2	1.0	3.5	91.7	11.8	7.6
1978.....	8.4	1.3	4.2	447.5	13.9	9.6
1979.....	6.2	1.0	5.6	307.5	24.2	72.1
Latin America						
1975.....	55.2	73.1	38.4	1,414.2	134.1	73.8
1976.....	58.7	84.3	48.9	1,009.9	111.0	88.2
1977.....	44.2	109.0	64.6	959.8	127.4	169.0
1978.....	43.8	93.9	69.1	1,548.7	172.7	159.9
1979.....	53.7	105.0	83.6	1,768.4	236.8	222.5
Western Hemisphere						
1975.....	94.8	166.2	55.3	1,562.1	592.3	147.4
1976.....	117.6	267.3	68.9	1,145.2	615.7	179.1
1977.....	70.8	274.3	82.2	1,070.2	676.0	287.0
1978.....	83.7	201.9	88.9	1,643.9	789.0	284.3
1979.....	83.4	172.2	113.3	1,893.1	893.3	364.7

Table 11.--U.S. agricultural imports by categories from

Country	Live animals	Meat and preparations	Dairy products and eggs	Cereals and preparations	Fruits, vegetables, and preparations	Sugar, sugar prep- arations and honey	Coffee, cocoa, tea and spices	Animal feed
-----Million dollars-----								
Canada								
1975.....	83.8	46.4	6.2	117.4	0.9	29.0	14.6	31.3
1976.....	138.0	81.2	4.9	90.8	36.9	28.1	23.1	38.6
1977.....	136.1	73.0	7.4	59.0	59.1	51.1	58.9	42.3
1978.....	195.9	108.0	7.6	42.3	69.3	43.2	38.5	45.9
1979.....	229.4	173.8	9.1	102.0	70.7	49.9	13.8	57.5
Mexico								
1975.....	25.1	18.6	--	8.0	185.2	48.0	148.4	0.9
1976.....	61.0	32.7	--	3.3	208.5	34.9	291.2	1.7
1977.....	80.3	38.5	0.1	2.0	360.1	28.4	420.4	1.9
1978.....	129.8	56.8	0.2	7.2	461.2	32.6	312.1	1.3
1979.....	93.1	6.4	1.0	10.8	489.4	56.9	445.3	1.2
Caribbean								
1975.....	1/	5.9	--	--	17.6	523.3	78.3	0.5
1976.....	1/	10.6	--	0.2	17.6	295.0	162.4	0.2
1977.....	1/	3.1	0.2	0.3	21.0	202.8	299.9	0.2
1978.....	0.1	4.6	0.3	5.8	26.9	147.8	235.5	0.5
1979.....	1/	7.2	0.3	4.7	23.6	205.4	245.9	0.9
Central America								
1975.....	0.6	107.0	--	--	164.2	221.7	193.1	--
1976.....	1/	132.9	--	--	220.9	226.6	374.5	1.8
1977.....	1/	128.2	0.4	0.2	242.5	175.7	728.3	0.3
1978.....	0.5	189.5	0.2	0.6	248.7	132.1	602.1	0.1
1979.....	0.1	296.6	0.3	0.7	284.0	166.3	771.5	1.5
Andes Region								
1975.....	1.1	--	--	0.4	87.0	175.8	443.8	0.7
1976.....	1.3	--	--	0.2	96.9	155.8	645.1	1.6
1977.....	1.4	0.3	--	2.2	118.2	76.4	935.6	2.9
1978.....	1.2	1/	--	2.5	157.5	64.4	1,207.0	3.5
1979.....	2.3	.2	--	2.6	182.0	100.0	1,307.2	1.0
Other South America								
1975.....	2.5	76.1	6.8	4.8	46.5	214.0	540.3	1.2
1976.....	4.7	137.8	7.1	5.9	44.6	66.0	784.1	2.6
1977.....	3.3	117.2	7.8	8.1	69.7	158.7	1,109.9	3.6
1978.....	3.3	129.7	10.2	8.2	174.5	274.7	1,212.5	1.8
1979.....	3.5	204.4	5.9	6.0	201.3	311.8	1,084.4	1.2
Latin America								
1975.....	29.3	207.6	6.8	13.2	500.5	1,182.8	1,403.9	3.3
1976.....	67.0	314.0	7.1	9.6	588.5	777.6	2,257.3	7.9
1977.....	85.0	287.3	8.5	12.8	811.5	642.0	3,494.1	8.9
1978.....	135.0	380.6	10.7	24.4	1,071.6	522.7	3,574.2	7.1
1979.....	99.1	514.4	7.1	24.7	1,183.0	839.5	3,858.9	5.9
Western Hemisphere								
1975.....	113.1	254.0	13.0	130.6	541.4	1,211.8	1,418.5	34.6
1976.....	205.0	395.2	12.0	100.4	625.4	805.7	2,208.4	46.5
1977.....	221.1	360.4	15.9	71.8	870.6	693.7	3,553.0	51.2
1978.....	330.9	448.6	18.3	66.9	1,140.9	565.9	3,612.7	53.0
1979.....	328.5	688.2	16.2	126.7	1,253.7	889.4	3,872.7	63.4

Note: Columns may not always add because of rounding

1/ Less than \$50,000

Sources: Bureau of the Census and Foreign Agricultural Service.

Canada, Mexico, and Western Hemisphere regions, 1975-1979.

Country	Unmanu- factured tobacco	Hides, skins, and furskins, undressed	Oilseed, oilnuts, and oilkernels	Natural rubber	Natural fibers	Animal and vegetable fats and oils	Other	Total
-----Million dollars-----								
Canada								
1975.....	2.3	30.4	16.7	0.4	--	2.4	69.6	491.4
1976.....	3.3	39.5	23.7	4.1	--	2.6	85.4	600.2
1977.....	2.9	72.6	13.1	4.0	0.2	2.7	119.9	672.4
1978.....	8.0	49.4	6.6	1.7	0.2	2.5	59.2	742.9
1979.....	15.5	71.9	26.5	0.3	0.4	4.1	123.1	948.0
Mexico								
1975.....	11.0	--	5.8	--	11.9	1.1	44.7	508.7
1976.....	9.4	--	10.7	--	7.6	2.0	49.0	711.1
1977.....	11.5	0.1	13.4	--	2.7	2.4	48.3	1,013.1
1978.....	16.1	0.2	17.6	--	10.3	1.6	57.5	1,104.5
1979.....	20.3	0.1	21.3	--	10.4	1.4	71.8	1,229.4
Caribbean								
1975.....	9.1	0.2	--	--	0.2	1/	15.1	650.2
1976.....	8.4	0.4	1/	--	0.1	0.1	20.4	515.6
1977.....	8.1	0.6	0.1	0.1	1/	0.1	20.7	557.2
1978.....	7.2	0.7	1/	0.1	1/	2.4	17.2	449.1
1979.....	7.5	1.7	1/	0.1	0.2	2.4	12.3	512.2
Central America								
1975.....	9.0	--	7.1	--	--	--	12.5	715.2
1976.....	9.7	--	9.7	--	--	--	17.2	993.3
1977.....	14.7	1/	7.0	1/	--	--	13.1	1,310.3
1978.....	19.4	.2	1/	.1	1/	2.4	28.8	1,224.3
1979.....	17.8	.4	1/	.1	.1	2.4	30.3	1,573.0
Andes Region								
1975.....	8.1	0.5	--	--	6.5	0.4	35.1	759.3
1976.....	2.6	0.2	--	--	13.2	1.0	36.5	954.5
1977.....	3.6	0.2	1/	1/	7.2	0.3	40.0	1,188.3
1978.....	3.8	1.0	--	--	6.7	1.4	59.7	1,507.1
1979.....	3.0	1.0	1/	--	6.6	1/	77.9	1,683.6
Other South America								
1975.....	18.8	2.1	--	0.7	7.5	27.4	29.2	977.9
1976.....	23.6	1.6	--	1.0	13.1	34.6	27.9	1,154.6
1977.....	29.2	1.5	0.2	0.8	14.0	53.7	21.8	1,599.5
1978.....	30.6	4.0	0.7	0.2	13.7	51.1	--	1,812.7
1979.....	42.2	7.4	0.1	0.2	13.8	52.6	29.4	1,963.4
Latin America								
1975.....	56.0	2.8	12.9	0.7	26.1	28.9	136.6	3,611.2
1976.....	53.7	2.2	20.4	1.0	34.0	37.7	151.0	4,329.4
1977.....	67.1	2.4	20.7	0.9	23.9	56.5	146.8	5,668.4
1978.....	77.1	6.2	27.5	0.2	26.9	56.5	177.1	6,097.8
1979.....	90.8	10.6	31.7	0.3	27.5	56.4	211.8	6,961.7
Western Hemisphere								
1975.....	58.3	33.2	29.6	1.1	26.1	31.3	206.2	4,102.6
1976.....	57.0	41.7	44.1	5.1	34.0	40.3	236.4	4,929.2
1977.....	70.1	45.0	33.8	4.9	24.1	59.2	266.8	6,340.6
1978.....	85.1	55.6	34.1	1.9	27.1	59.0	236.3	6,840.8
1979.....	106.3	82.5	58.2	0.6	27.9	60.5	334.9	7,915.7

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